U.S. Department of State
FY 2000 Country Commercial Guides: Cameroon

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I. EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at the Republic of Cameroon's commercial environment using economic, political and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. Embassies through the combined efforts of several U.S. Government Agencies.

Cameroon, just larger in size than the ten states northeast of Maryland, is located on the West Coast of Africa in the Gulf of Guinea. Its population, estimated at about 14.6 million, comprises some 250 ethnic groups and represents more than half of the total GNP of the six nation Central African Economic and Monetary Community (CEMAC). Political opposition is permitted and Cameroon is now a multi-party state of more than 160 (five major) parties. The May 1997 legislative and October 1997 presidential elections, while considered less than transparent, make five such election exercises held since the introduction of a multi-party political system and reflect Cameroon's progress toward non-violent democratization. Speculation continues concerning a sixth and indirect electoral test with the yet undated future elections for a Cameroonian Senate, an institution envisioned in the 1996 constitution.

Following nearly a decade of economic decline, economic growth resumed in 1994 and has subsequently continued, due to a reduction in excessive public sector employment, a 50 percent currency devaluation, stabilization of terms of trade, and increased external preferential financing and debt relief. Growth in Cameroon has also been boosted by a 1997 enhanced structural adjustment program, which came concurrent with rising expectations of the Chad/Cameroon pipeline project. A 3.3 percent growth of GDP in FY1995 increased to around five percent during each of the past three years. The late 1998 slump in international oil prices, as well as the continuing Asian crisis, has led the IMF to revise the current fiscal year growth forecast downward to 4.4 percent. Inflation is expected to be held in check at less than three percent for three reasons, including the Central Bank (BEAC) monetary policy, the continued depletion of currency reserves for prompt repayment of external debt, and the decreased cost of inputs, resulting from cheaper importation of inputs and stable labor costs. Total investment in FY1999 (from July 1, 1998 to June 30, 1999) rose from 16.2 percent to 18.4 percent. Cameroon's per capita income, nearly $900 in 1992 before devaluation, was $656 in 1998. The majority of the population is rural, and agriculture accounts for 25 percent of GNP. Principal exports include timber, coffee, cocoa, cotton, bananas, and rubber. Today, the economy is one of the most diversified in Central Africa and the second largest in the 14-nation CFA franc zone.

Following four failed International Monetary Fund (IMF) one-year structural adjustment programs since 1987, the Government of the Republic of Cameroon (GRC) made a serious commitment to meet IMF conditionalities. As a result, in August 1997 the Government of the Republic of Cameroon (GRC) signed a three-year (1997-2000) Enhanced Structural Adjustment Facility (ESAF) program worth USD 225 million. Since then the World Bank has released structural assistance credits (SAC) which have helped to bolster confidence in the nation's economic resilience. In October 1997, the Paris Club rescheduled Cameroon's multilateral debts under "Naples Terms" with forgiveness of up to fifty percent of the debt provided the GRC's strong adjustment efforts and superior performance are maintained. In February 1999, a team of IMF experts came to Cameroon to review the ESAF program at its half way mark. Taking into account the international economic situation, IMF conditionalities were reformulated, and Cameroon received a second disbursement worth CFA francs 22 billion . The ESAF has already attracted substantial assistance support from the international financial community in the form of additional loans (European Union and French Development Funds, Islamic Development Bank, African Development Fund, etc.). The GRC's difficulties to meet its commercial debt payments have made it difficult for lenders to accept an arrangement for a London Club debt rescheduling. The negotiations are still underway and are expected to be completed at the end of December 1999.

Economic growth in Cameroon continues to be inhibited by a large inefficient parastatal sector, excessive public sector employment, growing defense and internal security expenditures, and by the Government's inability to collect internal revenues effectively, especially in economically important pro-opposition regions. Widespread corruption in government and business also impedes growth. For these reasons, Cameroon's attractive investment code and rate of return has drawn few U.S. investors to complement the long standing investments in oil production, security services, oral care/hygiene products manufacturing and fresh fruit production. New ventures have focused on the pipeline project. The recent licensing of a major U.S. bank, Citibank, could encourage more investment and facilitate exchanges between the U.S. and Cameroonian business communities.

Bilingual Cameroon represents half of a regional market of nearly 27 million inhabitants in the six countries of Central Africa where French, Spanish and English are spoken. With well over sixty percent of the area's business activity, Cameroon merits consideration as a regional base for U.S. firms interested in expanding on the continent.

American Business Services Centers located in the United States Embassy in Yaounde and at a branch office in Douala are connected by Internet. In addition, a Regional Counselor for Commercial Affairs of the Foreign Commercial Service located in Abidjan, Cote d'Ivoire and an Agricultural Attaché of the Foreign Agricultural Service located in Lagos, Nigeria provide expertise to those looking to do business in Cameroon.

Country Commercial Guides are available for U.S. exporters from the National Trade Data Bank's CD-ROM or via the Internet. Please contact STAT-USA at 1-800-STAT-USA for more information. Country Commercial Guides can be accessed via the World Wide Web at http://www.stat-usa.gov; http://www.state.gov; and http://www.mac.doc.gov. They can also be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS. U.S. exporters seeking general export information/assistance and country-specific commercial information should contact the U.S. Department of Commerce, Trade Information Center by phone at 1-800-USA-TRAD(E) or by fax at (202) 482-4473.

II. ECONOMIC TRENDS AND OUTLOOK

A. MAJOR TRENDS AND OUTLOOK

Cameroon's abundant natural resources, favorable climate, and well-educated and skilled work force render it one of Africa's most potentially competitive economies. Following independence in 1960/1, the country embarked upon a quarter of a century as one of Africa's most prosperous and successful economies. The drop in commodity prices of its principal exports (oil, cocoa, coffee and cotton) in 1985/6, coincident with adverse currency exchange rates and economic mismanagement, started Cameroon on a decade-long recession. Investment and trade slumped, while real per capita GDP declined by more than 60 percent.

Although political maneuvering, economic uncertainty and managerial weaknesses continue to plague the government's efforts to implement the reforms required to overcome the country's low confidence rating, sustainable growth and inflation control are beginning to become the reality in the reformed and liberalized Cameroonian economy. The GRC professes a willingness to address fiscal, judicial and political weaknesses which significantly hamper full economic revival and restrict the confidence of foreign investors, yet the results of GRC rhetoric have yet to come to full fruition. Cameroon is unusual among French speaking countries in that the vast majority of its entrepreneurs are local rather than expatriate. Indeed, Cameroonians are the major commercial force in some neighboring countries, giving traditional Cameroonian entrepreneurship expanded meaning.

In 1990, Cameroon created a free trade zone to promote internationally competitive export industries, the outcomes of which have been relatively mitigated. Quantitative restrictions on imports, non-tariff protection and many import licensing requirements were lifted when a new tariff code was enacted in January 1994 to conform to the uniform CEMAC customs regulations. Also in 1998, the Organisation pour l'Harmonisation du Droit des Affaires en Afrique (OHADA) treaty harmonizing business practices and law in 15 African countries entered into force. With a secretariat in Yaounde, OHADA aims, inter alia, to guarantee international arbitration in trade and business disputes. The Council of Business Managers and Professional Associations (GICAM) of Cameroon has also taken up the issue of legal enforcement and arbitration. This association of 145 enterprises and 14 professional associations represents 70 percent of all formal sector business activity in the country. It decided in early 1999 to create an Arbitration Center for its members, in order to avoid the long judicial delays within Cameroon which are so common and are harmful to the conduct of business. In January 1999, a value added tax was introduced to replace the turnover tax at a unique rate of 18.7 percent. The investment code was further liberalized in 1998 to facilitate regional trade by eliminating duties on manufactured goods. The liberalization leaves only the value added tax in place, and, in theory, it should be standardized across all CEMAC countries

Corruption is still rampant in Cameroon. In his 1999 New Year address, President Biya castigated the magistrates and the police force for being responsible for the denial of justice and the corruption which is depriving the government of significant customs and tax revenues. On a positive note, assessment and collection of customs duties in Cameroon have become more efficient since pre-shipment inspection procedures were contracted to a private company in 1996.

Cameroon’s policies, as defined by law, meet most elements of an open, liberal investment climate. Recent improvements to the country’s privatization law, laying specific emphasis on the simplification of approval procedures, make it one of the best on the books and are supposed to guarantee, in theory, equity to both Cameroonian and foreign investors. However, GICAM's members have recently criticized some bidding prerequisites laid down by the GRC, as they feel the regulations exclude local business people from bidding, despite the fact that the parastatals were created with Cameroonian taxpayers' money. In addition, the privatization process has come under continued criticism for the apparent favoritism showed by the GRC toward French companies.

Tax and tariff reforms in 1994 simplified rates and eliminated some unfair exemptions, and these tax codes were further liberalized in the 1999 budget. Trade reforms also abolished all remaining qualitative restrictions on merchandise imports. A new labor code makes employer-employee relations more flexible, and the new investment code streamlines tax exemptions and provides guarantees and benefits to investors. Price controls were lifted in 1994 with the exception of those on water, electricity, collective passenger surface transport, pharmaceuticals, petroleum products, textbooks and manuals. In December 1997 auxiliary maritime and ports authority services, including maritime transportation of Cameroonian exports and imports, were liberalized. In December 1998, the Cameroonian parliament voted for a civil aviation law on open skies, aimed at partially liberalizing the air transportation sector. In addition, the U.S. Department of Transportation recently selected Cameroon as one of the eight African countries which can participate in the "Safe Skies" Initiative. This program of collaboration between the U.S. and Cameroon should help Cameroon create safer airports and safer air travel. A recent text by the Minister of Finances further liberalized the margin on the commercialization of the petroleum products.

The World Bank Group, African Development Bank (AfDB) Group, European Community (EU) and Government of France have provided substantial external financing to Cameroon since 1989 in order to help reform the economy and restore sustainable economic growth. Contributions of external financing to the GRC increased to 320 billion CFA francs in FY1998 after dipping to 22.9 billion CFA francs in FY1997. In 1998 the Agence Francaise de Developpement (ex-CFD) group (including PROPARCO) has continued to be Cameroon’s greatest provider of structural adjustment grants, loans and aid projects in its assistance program which amounts to 30.60 billion CFA francs. World Bank and AfDB projects, which have recommenced and should continue as long as Cameroon meets its IMF ESAF obligations, create additional contracting and investment opportunities for U.S. business people.

Cameroon has generally conformed to its triennial economic program, and the IMF has been willing to be flexible in considering Cameroon's economic performance in light of the changing international environment. In its February 1999 Article IV Consultations, the IMF express their satisfaction with the way the GRC has continued to dedicate roughly half of its revenues to servicing of foreign debt. The ESAF allows future revenues to be used for much-needed internal investment which should produce real growth. It also provides Cameroon with the possibility of purchasing the private debt carried in the London Club and makes Cameroon eligible for an IDA debt buy-back program.

The rate of coverage of Cameroonian exports to imports in goods declined from 139 percent to 124 percent between FY1997 and FY1998, due to a 24 percent increase in imports, versus only a 10 percent growth in exports. This was one contributing factor in the FY1998 worsening in Cameroon's overall trade deficit. France remains the primary supplier of Cameroonian imports (225.876 billion CFA francs), while Italy is now the primary importer of Cameroonian products (268.900 billion CFA francs) in FY1998. Over the past fiscal year, Cameroonian exports have increased slightly in volume (4.82 percent), yet decreased by 10.31 percent in value. While trade in industrial products increased by 15 percent, the value of primary products decreased by 21 percent and Cameroon's crude oil revenues declined by 31 percent. These factors account for the overall negative movement in the value of exports. On a sectoral level, the decreased revenues break down to declines in the sale of coffee (-40 percent), crude oil (-31 percent), natural rubber (-23 percent), logs (-29 percent), aluminum (-16 percent), and cocoa beans (-3 percent). The only sectors which saw significant increases were those of: cement (+217 percent), cocoa paste (+66 percent), and processed wood (+33 percent). Second hand clothing remains one of the main Cameroonian imports, in addition to crude oil, pharmaceutical products, cars, aluminum oxide, frozen fish, rice, tractors (1.8 percent). The volume of traffic handled at the port of Douala rose by 18 percent to 5,289,632 tons, thanks primarily to measures adopted by the GRC to reduce Port tariffs and setting of the National Committee in charge of facilitating the maritime traffic.

B. PRINCIPAL GROWTH SECTORS

Cameroon's prospects for continued economic growth are mixed. The economic outlook is complicated by factors which threaten further growth such as a plateau in oil production and a massive external debt. The river port of Douala which handles the vast majority of trade with the country, as well as with the region, is in need of constant dredging and major refitting. The ongoing restructuring of ONPC (Cameroon Port Authority) is going to create four autonomous ports and will offer an opportunity for the development of a deep sea port in Limbe. Although Cameroon's terms of trade have continued to deteriorate (-4.5 percent in FY1998), recent improvements in its macroeconomic situation are encouraging. Genuine efforts by Cameroon to meet its fiscal obligations have resulted in a reduction in excessive public sector employment and some increase in the collection of revenues.

Cameroon's economy is relatively varied and includes petroleum and gas (33% of exports), tropical woods exports (24%) and an industrial base of aluminum production (5.5% of exports) and other light industry. Cotton, coffee, cocoa, rubber, bananas, pineapples and soon tobacco provide an exceptional agricultural base. Cameroon is uniquely endowed as a potentially lucrative market in the region, as shown by the yet-to-be-exploited mineral wealth (bauxite, cobalt, chromium, gold, iron, nickel, sapphires, tin, titanium, uranium, and limestone), an under developed hydroelectric potential, and an under performing tourist market which has declined by 80 percent since the mid 80s. In recent years, the GRC has moved to partially address some of these areas of potential. It has revised and rationalized the hydrocarbons and forestry exploration codes and is presently developing a code for industrial mining exploitation that is to be completed by the end of 1999 and will be utilized to encourage investors to enter the mining sector. In addition, the GRC has begun to draw attention to the need to develop Cameroon's tourist potential, and it might be poised on act on improving this area of the economy.

Cameroon's economic growth will continue to depend on its commodity export sector which consists primarily of coffee, cocoa, cotton, rubber, timber, bananas and pineapples. The government marketing board for coffee and cocoa was dramatically restructured, and most restrictions on marketing and exporting those products were eliminated. In August 1997, the GRC licensed Société Générale de Surveillance (SGS), La Cordeler Cameroun, SA and L'Observatoire Camerounais de la Qualite (OCQ) to control the quality of Cameroonian coffee and cocoa. Reliant on international trade, Cameroon was affected by the Asian crisis in 1998. This has resulted in the loss of 40 billion CFA francs in anticipated exports revenues. Export of logs and rubber decreased by 50 percent when compared to only one year earlier. Cotton exports dropped by 7 billion CFA francs. Customs revenues have also declined due to the reduction or elimination of customs duties and other exports taxes, a policy which was aimed at improving the competitiveness of certain Cameroonian exports products. Cameroon has stepped his efforts to control and rationalize use of the forests. It has banned log exports for popular wood species, but this is supposed to go into effect starting June 30, 1999. One difficulty which looms on the horizon for Cameroon involves the recent decision by the WTO (World Trade Organization) concerning the ACP-EU (Africa Caribbean Pacific-European Union) banana agreement, a ruling which could adversely affect Cameroon's banana exports. Nonetheless, the volume and value of agricultural export commodities (despite recent price decreases) upon which Cameroon's long term well being depends are likely to increase during the coming years.

Cameroon's oil production declined for over a decade, before the GRC took steps in the mid to late 1990s to stop the decrease in oil revenues. Cameroon is currently the fifth largest producer of petroleum in sub-Sahara Africa (following Nigeria, Angola, Gabon and Congo-Brazzaville) with production at about 110,000 barrels per day. Petroleum development activities were revived in 1996 following government approval of new financial incentives for oil production from marginal fields with less than 20 million recoverable barrels over a 3-5 year economic life. In 1998 legislation was passed to encourage foreign investment in petroleum and gas exploration and production in joint venture with the GRC. Incentives link taxes to the risk taken in prospecting for new fields. These measures have led to newly opened oil and gas fields, which have compensated for the 10-15 percent decline in traditional sources. As an example, the overall production in June 1999 is forecasted at 43.8 million barrels, which represents a 4.5 percent increase compare to FY1998. Cameroon total crude oil production during the first semester of FY1999 amounted to 22.22 million barrels. The cumulative effect of the favorable legislation is that petroleum production levels have been sustained at about 110,000 barrels/day and may even rise with the new exploration. Thus, what was formerly a steady decline in known oil reserves has now been reversed, and the amount of known oil reserves is predicted to rise slightly, despite increased exploitation. Another major impetus to the current economic euphoria is the agreement to construct an oil pipeline from Chad through Cameroon, giving rise to renewed exploration in areas near the pipeline route, such as the Logone Birni basin on Lake Chad. Upgrading of the necessary infrastructure is already underway and cost USD 60 million up to mid-1998. While the two-year construction of the pipeline has been delayed as a result of environmental and compensatory concerns, the World Bank is predicted to give final approval to the USD 3.5 billion project.

C. GOVERNMENT ROLE IN THE ECONOMY

Although progress has been made toward reducing the government's role in the economy, the public sector is still the predominant force and sometimes constitutes a barrier in the country's economic development. Nevertheless, the GRC has undertaken a number of reforms since 1989 to reduce its own stake in the economy and to promote private sector development. Beginning in early 1997, the GRC initiated meaningful dialogue with the private sector through a series of town meetings. Subsequently, several ministers concerned with commercial, economic and financial issues responded candidly to questions put to them by the Cameroonian Association of Economic Journalists (AJEC) at public press conferences sponsored by AJEC and GICAM. In April 1997, the president of GICAM was invited for the first time to participate in GRC negotiations with the International Monetary Fund and the World Bank in Washington. This initiated a new partnership to help support privatization and promote initiatives between government and the private sector, most recently evidenced in the June 1999 joint trade mission to Switzerland, which followed a similar tour to France in April 1998. A long awaited reform of the Cameroon Chamber of Commerce, Industries and Mines (CCIM) is still expected. The GRC appointed a new President to the CCIM in November 1998, but its attempt to raise taxes to finance the Chamber of Commerce and the Chamber of Agriculture was halted by members of parliament during the June 1999 session of parliament. Thus the CCIM is still in need of major reform and modernization.

Although a General Statute of Public Enterprises was enacted in 1995, launching the GRC's privatization process, progress toward the privatization of Cameroon's remaining public sector enterprises has been slow. The World Bank and IMF continue to press for speedier and more transparent action through IBRD-monitored investment bidding opportunities in response to studies on the viability of specific industries. The disengagement of the State from the productive sector through the announced privatization of most of the country's parastatals could be a precursor of excellent investment opportunities in the near future. In this sense, FY1999 saw the privatization of CAMSUCO (national sugar company) and the selection of a successful bidder for SOCAPALM (the palm oil complex). In addition, a government tender was issued for investors interested in pre-qualifying for the privatization of CDC (agricultural plantation complex), and the privatization strategy for the cotton development project was adopted. The pre-qualification tender for the electricity parastatal is expected to be out before the end of July 1999. In the privatization of the water parastatal, four companies have been short-listed, and final bidding documents are being prepared for submission. The last bank which is majority-owned by the state (BICEC) is supposed to be privatized by August 1999. The insurance company SOCAR was bought by the French insurance Chanas et Privat, and the GRC is looking for a suitable buyer for the National Insurance and Reinsurance Corporation (CNR). Parastatals that are still scheduled for privatization include the national airliner (CAMAIR), the telecommunication companies (CAMTEL and CAMTEL-MOBILE), and the National Insurance retirement fund (CNPS). The process is expected to be completed by August 2000, the end of the third year of the triennial economic program.

Currently, there are nine licensed (eight operating) banks in the country. The GRC currently retains interests in only three of the banks and that interest has been reduced to less than controlling except in the one scheduled to be privatized soon. The completion of the banking sector rehabilitation program provides hope that the banking system's credibility can be restored. Money supply rose by 57.7 billion CFA francs. This 9 percent increase follows the 16 percent increase in the circulation of fiduciary money and a 6 percent increase in banks deposits. Net internal interest decreased by 39.2 billion CFA francs, or 4 percent, following a decline in Government Net Position of 16.6 billion, and an increase associated with the credit allocated to the private sector that amounts to 20.2 billion. Net external interest rose to 36.7 billion CFA over past years, and the deficit in the operations account balance shrank by 40.9 billion CFA francs. In an attempt to stimulate competition among banks, the Minister of Finance in 1998 published the conditions for opening manual exchange windows and liberalized the setting of banking fees. Future reforms will aim to harmonize and improve the legal framework of exchange policy.

D. BALANCE OF PAYMENTS SITUATION

In 1997, the volume and value of Cameroon's major exports increased for the fourth consecutive year and resulting in an overall trade surplus. Primary trade balance excess stands at 4.6 percent of GDP in FY1998. Non-petroleum receipts, however, did not meet expectations, resulting in an overall budget deficit equivalent to 0.4 percent of GDP. The budget proposed for FY2000 (July 1999 to June 2000) was increased by 67 billion CFA francs (USD 111.6 million) to 1,297 billion CFA francs (USD 2,16 billion). This new budget attempts to put a special emphasis on government priorities which include repayment of public debt, national education, public health, maintenance of basic infrastructure and funding of the police and armed forces. This year's budget attempts to bring more of the informal economy into the revenue producing GRC mainstream through the new VAT. Capital input into the Cameroonian economy is limited, as in most of Africa, by the three scourges of an inadequate judicial environment, the lack of infrastructure, and market limitations. The economy has started showing signs of "fragile economic activity." This is due primarily to the Asian crisis of the past 18 months, which has reversed the former competitive advantage which Cameroon enjoyed as a result of the 1994 devaluation of the CFA franc.

Since June 1997, Cameroon has been able to meet external payment obligations. As of January 31, 1999, Cameroon's public debt tallied at 5,531.3 billion CFA francs, of which 4,291.5 billion CFA francs is external debt and 1,239.7 billion CFA francs is internal debt. The overall public debt represents 102 percent of Cameroon's GDP. The forecasted debt service from January to June of 1999 is 325 billion CFA francs, of which 247 billion CFA francs is for external debt and 78.4 billion CFA francs is for internal debt. About 29 percent of Cameroon's yearly budget revenues go toward repayment of external debt, and Cameroon has expended great efforts to regain international confidence by diligent debt servicing, even to the detriment of development projects and payment of its internal debt. A combination of the IMF's ESAF, World Bank Structural Adjustment Credits (SAC), Paris Club debt relief, and substantial financial assistance from bilateral donors has helped Cameroon to deal with its unfunded balance of payments deficit. The GRC established the Development Aid Coordination Committee (CCAD) in September 1995 to promote more effective dialogue among donors.

The European Union remains Cameroon's main trading partner. In FY1998, 25 percent of Cameroonian exports are headed toward Italy, with France following at 17.7 percent. The U.S. stands as the 14th biggest purchaser, buying only 1.1 percent of Cameroon's total exports. France is still the major supplier of Cameroonian imports satisfying 22 percent of Cameroon's total needs, with Nigeria in second place at 8.4 percent. The U.S. is the third largest exporter to Cameroon, with Germany and Japan also being major sellers. While Cameroon produces and exports heavy crude, it imports 73.3 billion CFA francs of light crude oil (which is suitable for its refinery) from Nigeria, Equatorial Guinea, Ivory Coast, Angola, and Italy .

E. INFRASTRUCTURE

Cameroon's infrastructure for the distribution of goods is not fully developed but permits limited access to all ten provinces. Cameroon's main industrial and commercial port city, Douala, is linked to major cities in the seven southern provinces by good roads. It is also linked by rail to Yaounde, the capital and second major city, and to Ngaoundere in the north.

In terms of economic potential, Douala is the major entry point for imports not only to Cameroon but also to the entire central African region including the Central African Republic, Chad, Equatorial Guinea (Cameroon's eighth most important import/export trading partner) and the Republic of Congo. The Douala port currently handles about 95 percent of the total maritime traffic of Cameroon and more than 90 percent of the country's external trade. The port of Douala, however, is in need of general refitting and constant dredging. It is a bottleneck to trade and will not be able to handle the new vintage of post panamex ships. The ongoing restructuring of the Port system in Cameroon will eventually split the central port authority and create four autonomous ports, which should help alleviate or solve port management problems. The current port at Limbe is small by comparison to Douala, and it handles such products as coffee, cocoa, palm nuts, rubber, and timber. The other deep sea port, Kribi, handles timber for 80 percent of its total traffic, with the remaining part being cocoa, coffee, flour, and salt. To supplement the Douala port traffic, the GRC is seriously considering the creation of a second major port in Cameroon. Limbe, and to a lesser extent Kribi, have been considered for potential infrastructural transformation in the GRC's search for alternatives to the congested and severely silted Douala port. While the natural deep water harbors near Limbe could provide an ideal trans-shipping point for the region, the GRC has been slow to develop the port, despite the interest of international port development authorities and various foreign investors.

Distribution to northern provinces is mainly through the railroad station at Ngaoundere, where regional warehouses stock goods for onward road delivery to other northern cities and Chad. The railway line also links Douala to the East province, which serves as a transit point for goods bound for the Central African Republic. Three international airports at Douala, Yaounde and Garoua have facilities for airfreight. There are over 50 small airports and airstrips, of which only nine have permanent surface runways and only two (Maroua and Ngaoundere) are currently in use.

During the years of economic crisis, few major infrastructure projects were initiated, and this led to a major degradation of Cameroonian infrastructure. For this reason, future investment possibilities in maintenance and infrastructure rebuilding may offer opportunities for U.S. investors. Road projects financed by the European Union, Agence Francaise de Developpement and the World Bank to link Cameroon, C.A.R. and Equatorial Guinea by paved road will continue during 1999. Substantial road rehabilitation and road construction is also expected in conjunction with the construction of the Chad/Cameroon pipeline. Electricity, telephone and water services are available in Cameroon's cities, larger towns and some villages and rural areas. Utility and telephone services are available in the two largest cities, Yaounde and Douala, but they are not always reliable due to poor maintenance and mismanagement. The telephone company CAMTEL (formerly INTELCAM) was connected to the internet in April 1997, yet recent infrastructure construction in Douala has made it possible to by-pass CAMTEL as an internet provider. The GRC has created a committee to address and monitor computer difficulties related to the year 2000, and it claims that the public sector will enter the next millenium without difficulties.

III. POLITICAL ENVIRONMENT

A. NATURE OF POLITICAL RELATIONSHIP WITH THE UNITED STATES

Present US-Cameroon relations are good and continue to improve. Principal U.S. concerns center on lapses in the observance of human rights, slow implementation of good governance or fair elections principles, and corruption and fiscal irregularities which hinder sustainable economic growth. The GRC considers such concerns as undue pressure on its political evolution, flowing from a superficial understanding of its complex society and resulting in withholding development assistance.

Over the past ten years, the U.S. government has reduced its presence in Cameroon, with the closing of the U.S. Information Service's (USIS) American Cultural Center in Douala (1990), the U.S. Foreign Commercial Service's operations (1992), the U.S. Consulate in Douala (1993) and the Agency for International Development (USAID) mission (1994). The U.S. Government continues to finance projects valued at over half a million dollars through the African Development Foundation (ADF) and provides substantial funds to International Financial Institutions (IFIs) such as the World Bank Group and the African Development Bank Group, which accord key project and infrastructure support to Cameroon. Two regionally funded USAID projects provide limited development assistance in Family Health and AIDS Prevention as well as the Central African Regional Program for the Environment (CARPE). The Ambassador's Self-Help Fund and the Democracy and Human Rights Funds together finance $250,000 worth of small grass-roots projects. In addition, about 150 Peace Corps volunteers currently work in the fields of agricultural extension, education, health, and environment. Peace Corps plans to ramp up its number of volunteers to a total of 170 over the next year, in an effort to include a cadre of volunteers who will work on small business promotion. USIS organizes and funds, inter alia, discussions on economic and civic issues and education and cultural exchange programs.

B. MAJOR POLITICAL ISSUES AFFECTING BUSINESS CLIMATE

While political violence is not likely in Cameroon, a threat of political strife continues to be a factor. A vocal minority composed of the English-speaking population advocates restoration of the decentralized federal structure comprising separate anglophone and francophone regions that prevailed from 1961 until unification in 1972. A few anglophone groups support secession of the two English-speaking provinces. Both options are unacceptable to the Government. It has a less radical decentralization program, but implementation of measures for a senate and increased provincial power has been progressing at a snail's pace.

Cameroon's highly controlled and incremental progress toward liberalizing and reforming its economy has engendered opposition, even within the ruling party. The reform program includes a reduction of civil servants and privatization of public enterprises. The latter of these two initiatives has been criticized as slanted in favor of French investors, as not transparent, and as not fully inclusive of local investors, let alone other nationalities. Rampant corruption and a dysfunctional judicial system severely hamper development of Cameroon's economy and society. Although the government continues to pay lip service to the desire to fight corruption, the results of recent government campaigns against corruption have been slight.

Cameroon is part of the Central African Economic and Monetary Committee (CEMAC), which was formalized in June 1999 in Malabo, and which is to superceded the Central African Customs and Economic Union (UDEAC). Nevertheless, Cameroon's relations with its CEMAC partners and other regional neighbors remain uneven. Political rivalries between Gabon and Cameroon, the latter with over half of the Central African region's population and commerce, retard the development of worthy initiatives such as a viable customs union, a securities exchange, a single market and a genuine economic community. Further diluting the possibility of real progress toward regional economic integration are the efforts to revitalize the mineral rich 90 million people strong Economic Community of Central African States (CEEAC). Created in 1984, CEEAC encompasses the CEMAC states as well as three former Belgian colonies (Burundi, Democratic Republic of Congo (DROC), and Rwanda) and the region's two Lusophone countries (Angola and Sao Tome and Principe). At a meeting in Douala this year, a decision was also reached to create a regional securities exchange, such as the one recently established in Abidjan. One remaining stumbling block, however, is its location, as Douala and Libreville each aspires to host the new stock exchange, targeted to become operational in November 2000.

The Central African region is well placed for expansion and development, sandwiched as it is between two giants -- the huge, rich, under-performing, war-torn market of the Democratic Republic of Congo (ex-Zaire) and the Nigerian economic powerhouse. The chaotic situation in Congo-Kinshasa (ex-Zaire) has had a significant impact on its Central African neighbors, and its effects are expected to be felt for years. Cameroon's conflict with Nigeria over the Bakassi peninsula has been described by some observers (on both sides of the border) as a political red flag to be waved as necessary to turn public attention away from internal problems rather than a case of economic greed by either country over still unconfirmed oil in the area. While the territorial dispute is making progress before the International Court of Justice (ICJ), procedural and other delays mean that the case remains a long way from resolution. On a positive note, a recent warming in the relations between the two countries has resulted in increased contacts between government officials at the highest levels. If the two neighbors resolve their differences, they could limit military expenditures and devote more resources to economic development and social integration. The free, if sometimes illicit, exchange of goods and traffic in persons between the two nations is testimony to an already vibrant and natural, if informal, commercial entity of over 125 million consumers.

C. BRIEF SYNOPSIS OF POLITICAL SYSTEM, SCHEDULE FOR ELECTIONS AND ORIENTATION OF MAJOR POLITICAL PARTIES

Cameroon is a republic dominated by a constitutionally-strong chief executive. Since independence, a single party, now called the Cameroon People's Democratic Movement

(CPDM), has remained in power and limited political choice. In October 1997, CPDM leader Paul Biya won reelection as President in an election boycotted by the three main opposition parties and generally considered by observers not to be free and fair. The Government legalized opposition parties in 1990, after widespread protests. However, international and local observers generally consider the election process, which is controlled by the Government's Ministry of Territorial Administration, as fundamentally flawed. No President has ever left office in consequence of an election. The President retains the power to control legislation or to rule by decree. In the National Assembly, government bills take precedence over other bills, and no bills other than government bills have been enacted since 1991, although some legislation proposed by the Government has not been enacted. The President repeatedly has used his control of the legislature to change the Constitution. The 1996 Constitution lengthened the President's term of office to 7 years, while continuing to allow Biya to run for a fourth consecutive term in 1997 and making him eligible to run for one more 7-year term in 2004. The Government has taken no formal action to implement other 1996 constitutional changes that provide for new legislative institutions, including a partially elected senate and elected regional councils, and a more independent judiciary, even though the President had announced in 1997 that most of these reforms would be implemented in 1998.

In the largely free and fair multi-party municipal elections of January 1996, a number of opposition parties were successful in gaining control of many municipalities. The municipalities are the provincial sub-regions, each of which is governed by a directly-elected Municipal Council, which in turn elects the major. The opposition success in the municipal elections was offset, however, when President Biya expanded the number of municipal governments headed by presidentially appointed "delegates" rather than headed by mayors, especially in large pro-opposition cities like Douala. This move was widely criticized as anti-democratic and led two of the main opposition parties to call a general strike, which was not considered to be highly effective. Although the political opposition supported strike actions in the early 1990s, they proved unsuccessful, and most opposition leaders now appear to be abandoning such tactics.

The Government remains highly centralized. The President names and dismisses cabinet members and judges, ratifies treaties, leads the armed forces, and has considerable authority in other areas. He appoints the governors of Cameroon's ten provinces and his government has wide authority to re-organize electoral districts in ways favorable to itself. The judiciary is subject to political influence and suffers from corruption and inefficiency.

Cameroon has more than 150 legalized political parties, but many are of no real substance or appear to seek political power only for financial rewards. Cameroon's substantive political parties profess to support multi-party democracy, and individual freedoms and liberties. Few have well-defined economic programs, but almost all advocate a mixture of state intervention and vigorous private entrepreneurship. Political parties are free to voice their opinions since the 1996 constitutional revisions abolished censorship, although government repression against dissidents is not unknown. The people of Cameroon appear generally dissatisfied with the ruling party’s management and pace of democratization.

IV. MARKETING U.S. PRODUCTS AND SERVICES

A. DISTRIBUTION AND SALES CHANNELS

Cameroon has a population estimated at 14.6 million, of which about 47 percent lives in urban areas. Douala is Cameroon's main port and industrial center. Cameroon's capital city Yaounde is the political and diplomatic center of the country. Yaounde (population approximately 1,177,000) and Douala (population approximately 1,450,000) together contain about 60 percent of Cameroon's urban population and 20 percent of its total population. Europeans, Lebanese and the indigenous Bamileke of Western Province dominate large trading firms in Cameroon. Most have developed efficient distribution systems, and several have established stores and supermarkets for retail sales. In smaller towns, mainly local or Nigerian traders control retailing. Vendors who sell their wares from rented stalls at the main markets of cities occupy about 35 percent of the retail market in Cameroon. Due to Cameroon's economic crisis, hawkers are rapidly increasing their share of retailing activities. They generally sell on a commission basis for established storeowners, but some are independent and buy directly from wholesalers.

B. INFORMATION ON TYPICAL PRODUCT PRICING STRUCTURES

With the exception of "strategic" goods and services such as electricity, water, public transportation (road/rail), telecommunications, cooking gas, pharmaceuticals, school books, and port-side activities (stevedoring, etc.), the GRC has lifted all price fixation practices on commodities marketed within its national territory as of 1994.

Pricing practices generally use the prevailing price of the imported good as the reference price for future production. As for imported products, the profit margins is not fixed, though the importer generally tries to recover his costs plus the highest mark-up which will still leave the product competitive in the market. Tariff practices at the National Port Authority are also determined by the GRC.

C. USE OF AGENTS AND DISTRIBUTORS; FINDING A PARTNER

Several dozen U.S. companies are represented in Cameroon, either directly or through agents and distributors. U.S. businesses planning to enter the Cameroonian market are best advised to secure the services of a local agent, as they sell directly to wholesalers and can help new firms obtain market knowledge at a relatively low cost. For products requiring after-sales service and spare parts, the appointment of a distributor is recommended. Agents and distributors must register with the Government, and their contracts must be notarized and published in the local press.

D. FRANCHISING

Franchising is rare in Cameroon. While large international oil companies retail petroleum products, and international car rental companies operate through franchise dealers, there are few, if any, other franchise operations in Cameroon.

E. DIRECT MARKETING

Direct marketing is used in Cameroon, though it is not a common practice.

F. JOINT VENTURES/LICENSING

Seeking professional assistance in negotiating agreements, selecting partners and controlling resources is a strongly recommended first step in establishing a presence in the Cameroonian market. Caution is required for joint ventures and licensing arrangements, as the investment climate presents high risk factors. Foreign and local investors also often complain of undue influence from entrenched French interests. Few internationally known American products other than oil and gas are produced in Cameroon under licensing agreements.

G. STEPS TO ESTABLISHING AN OFFICE

The Investment Code Management Unit (ICMU) was established in 1991 to assist foreign and domestic investors in starting businesses in Cameroon. It provides investment authorization and a variety of other services through a network of official correspondents in all relevant Ministries. Contact Ms. Marthe Angeline Minja, Director, ICMU, P.O. Box 15438, Douala, Tel: 237-42-59-46/43-31-11, Fax: 237-43-30-07.

H. SELLING FACTORS/TECHNIQUES

Seller's credit, such as lay-away plans, is not yet practiced in Cameroon. Commercial banks offer consumer loans for large individual purchases.

I. ADVERTISING AND TRADE PROMOTION

Advertising is available in Cameroon through a wide variety of media including newspapers, magazines, billboards, theatres, radio and television, many of whom are listed in Appendix E. Newspaper and magazine advertising may be placed at reasonable rates with the government-owned daily, Cameroon Tribune, or with a growing number (over 20) of private publications. Major newspapers and magazines include:

Cameroon Post (English-language comes out three times a week: P.O. Box 8301 Yaounde, Cameroon, Tel: 237-23.90.43 Fax: 237-23.04.29
Cameroon Tribune (government bilingual daily: P.O. Box 1218, Yaounde, Cameroon, Tel: 237-30-26-40 or 30-36-89 Fax: 237-30-43-62);

La Nouvelle Expression (French-language three times a week: P.O. Box 15333, Douala, Cameroon, Tel: 237-42-22-27 Fax: 237-43-26-69);
The Herald (English-language three times a week P.O. Box 3659, Messa Yaounde, Cameroon, Tel/Fax: 237-31-84-97);
Le Messager (French-language three times a week P.O. Box 5925, Douala, Cameroon, Tel: 237-42-02-39 or 42-04-39 Fax: 237-42-02-14);
La Sentinelle (French-language monthly is the only economic magazine published in Central Africa: P.O. Box 24079, Douala, Cameroon, Tel: 237-39-16-27 Fax: 237-39-11-63).

Billboards and signs are no longer a monopoly of Cameroon Publi-Expansion (CPE), a government-owned publicity parastatal. Private advertising firms may be contacted for publicity assistance. A monthly information guide for Douala (Night & Day) published by Synergie is distributed free. Advertising via slides and short films in theatres can be effective, especially in Yaounde, Douala and Bafoussam, which have large film-going publics. Radio and television advertising at reasonable rates is available through the government-owned Cameroon Radio Television (CRTV) which broadcasts in French and English. Radio advertising may also be placed through "Africa Number One," which broadcasts from Gabon between 5:00 am and 11:00 pm.

The only regularly scheduled trade fairs in Cameroon are the Bafoussam fair in February and "Promo," a general trade fair organized at the end of each year in Yaounde by the Cameroon Chamber of Commerce. Details on "Promo" are in Appendix G. Individual companies sometimes also organize expositions in Douala and Yaounde.

J. PRICING PRODUCT

If U.S. exporters can price in French francs, especially for deliveries over a six to 12 month period. Costs should be computed on a Cost, Insurance, and Freight (C.I.F.) basis. The major factors in penetrating the Cameroonian market may be price and credits.

K. SALES SERVICE/CUSTOMER SUPPORT

After sales service and customer support is weak or non-existent in Cameroon's bazaar-like market distribution system. It has been a principal reason for limited U.S. marketing success in Cameroon, especially in the high-tech or heavy industrial equipment areas where sales service is critical. French language service manuals, frequent personnel training and reasonable inventory of spare parts are also crucial.

L. SELLING TO THE GOVERNMENT

Government procurement is made by the "Direction Générale des Grands Travaux" (DGTC), or the Public Works Directorate which is under the direct supervision of the Presidency of the Republic. Cameroonian companies are granted preferential price margins and other preferential treatment for bids on all government procurement and development projects. DGTC's calls for tenders, especially when they are financed by the International Financial Institutions, are mailed to the American Embassy in Yaounde which sends them to the U.S. Department of Commerce for dissemination to the American business community. Restricted calls for tenders are also directed to U.S. bidding candidates by the Embassy. The GRC has been improving upon its low credit rating since the signing of the ESAF in 1997, and an increasing number of U.S. financing programs have been opening for both the private and public sector. The Government's direct purchases are often made through domestic middlemen who require cash up front on behalf of their foreign correspondents.

M. PROTECTING YOUR PRODUCT FROM IPR INFRINGEMENT

Cameroon is a founding member of the African Intellectual Property Organization (OAPI) with headquarters located in Cameroon's capital city. Registration of patents with OAPI would, in theory, provide protection from product patent infringements in Cameroon. In practice, companies may not always be able to defend themselves against product patent infringements through Cameroon's judicial system.

N. NEED FOR A LOCAL ATTORNEY

Incoming American investors should seek the services of a local attorney to deal with Cameroon's slow moving, complex and sometimes corrupt legal system. A list of local attorneys can be obtained from the U.S. Embassy in Yaounde.

O. PERFORMING DUE DILIGENCE/CHECKING BONA FIDES OF BANKS/ AGENTS/CUSTOMERS

Investors looking to do business in Cameroon should seek professional assistance in negotiating agreements, in the selection of partners, and in the control of resources. Businesses are advised to select their Cameroonian partners carefully by pre-consulting with the Embassy or through professional assistance from one of the Country Market Research Firms listed in Chapter XII below. The U.S. Embassy offers a variety of services for American businesses looking at the Cameroonian market, and these services are described in Appendix E.

V. LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT

The United States provided 8 percent of Cameroon's total imports in 1998. It ranked third behind Nigeria (8.45 percent), which provides Cameroon with most of the high grade crude used in its national refinery (SONARA), and France which provided 27.3 percent of total Cameroonian imports. Cameroon will continue to be an importer of wheat and flour, petroleum coke and pitch additives for aluminum smelting, used clothing and gross lot discounted/discontinued consumer products from the U.S. The U.S. Embassy has identified the following sectors as having potential for American exporters: agricultural inputs including fertilizer, heavy machinery and material for forestry, transport and road construction, pipeline construction and related services such as security and communications, computer, electronic equipment, and aircraft parts. The anticipation of a multi-billion dollar investment to develop oil fields in Chad and build an oil pipeline through Cameroon has dramatically increased the potential for U.S. exports to Cameroon.

Future export sectors could include:

1) heavy machinery; equipment and material for transportation, agriculture, road construction/maintenance and oil and gas field exploration/production services; pipeline construction equipment and machinery, because of renewed activity;
2) wood and materials handling machinery (skidders, harvesters, dozers, stackers, cranes, winches, trucks, trailers and buses) because of continuing timber industry expansion; also sawmill equipment and machinery (to meet the requirement that all wood products exported from Cameroon be processed by the year 2000);
3) aircraft and parts, because of the liberalization of the air transport sector
4) agricultural products including wheat, meslin flour, malt extract, corn, and soy beans;
5) textiles and apparel because of the growing market for used clothing and footwear;
6) agricultural inputs including fertilizer, insecticides and fungicides for retail sale (due to the liberalization of the cash crop production sector)
7) raw materials and other inputs for light industry which continues to grow;
8) related services such as security, communications, and computer and electronic equipment

The Cameroonian market for U.S. exports is small. After a rapid growth from 1995 to 1997, U.S. exports to Cameroon declined by 38 percent in 1998, falling from 122 million USD in 1997 to 75 million USD in 1998. The decline can be account for by a 78 percent decline in aircraft exports, a 12 percent fall in the export of vehicles, and a 4 percent decline in the export of machinery. Despite the decrease in U.S. exports to Cameroon in 1998, the U.S. market share was unchanged compared to the previous year. The U.S. import statistics listed below are based on information received from the U.S. Department of Commerce and estimates from the U.S. Embassy in Yaounde.

A. BEST PROSPECTS FOR NON-AGRICULTURAL GOODS AND SERVICES

1 - AIRCRAFT/PARTS (AIR)

Imports of aircraft and parts from U.S. may likely stabilize at USD 8 million in 1999 after peaking at USD 38 million in 1997. The increase in 1997 was due to a project of the Cameroonian government to renew the fleet of its national airline (CAMAIR) and lease two aircraft, including a Boeing 737-300. As the air transportation sector is liberalized and privatized over the next several years, economic analysts expect a substantial increase in the importation of aircraft equipment and parts.

IMPORTS FROM THE U.S. (AIR)	1996	USD	169,000	
	1997	USD	38,784,000	
	1998	USD	7,772,625	
	1999	USD	8,017,082	(Estimated)

2 - OIL/GAS FIELD MACH., OIL, GAS MINERAL PROD/EXPLOR SERV. (OGM, OGS)

The GRC and foreign oil companies plan to move forward with additional offshore oil production platforms in the Rio del Rey Basin and in the Kribi area, as well as with increased exploration. Recent incentives that the Government has granted for exploration and production of marginal and new oil fields should spur additional exploration and production activities over the next few years.

IMPORTS FROM THE U.S. (OGM, OGS)	1996	USD	27,205,000	
	1997	USD	25,655,192	
	1998	USD	19,215,903	
	1999	USD	19,031,671	(Estimated)

3 - TRUCKS, TRAILERS/BUSES (TRK)

The decrease in the importation of heavy-duty equipment noted in 1997 has persisted in 1998 with another decrease expected in 1999. One reason may be the drop in timber exports. The Cameroon forestry law of January 1994 provides that by the year 2000 at least 70% of wood harvested be processed locally.

IMPORTS FROM THE U.S. (TRK)	1996	USD	15,500,000	
	1997	USD	11,582,000	
	1998	USD	9,355,092	
	1999	USD	8,990,912	(Estimated)

4 - MINERAL ADDITIVES FOR THE ALUMINUM INDUSTRY (CMT)

Cameroon reportedly holds the fifth largest deposit of bauxite in the world. Cameroon's deposits are located at Minim/Martap in Adamawa and at Fongo Tongo in the West. They are, however, are too expensive to exploit. For this reason, one of the oldest industries in Cameroon is the aluminum processing plant which imports bauxite from Guinea. Aluminum represented 4.8 percent of Cameroon's exports in 1998. The processing plant has also increased its imports of petroleum coke and pitch. Given the competitive price of American suppliers, the factory has continued to import from the U.S., though at a decreasing rate. Another such decrease is expected in 1999.

IMPORTS FROM THE U.S.	1996	USD	6,181,000
	1997	USD	6,042,000
	1998	USD	5,422,065
	1999	USD	4,211,011 (Estimated)

5 - TEXTILE MACHINERY AND PRODUCTS - MADE-UP (TXM, TXP)

The market for U.S. exports of used clothing in Cameroon has increased during the past six years. The decrease seen in 1998 may be temporary.

IMPORTS FROM THE U.S. (TXP)	1996	USD	2,024,000
	1997	USD	3,864,000
	1998	USD	2,341,114
	1999	USD	2,995,781 (Estimated)

6 - AGRICULTURAL CHEMICALS (AGC)

Cameroon lifted most restrictions on the marketing of coffee and cocoa during 1994. World market prices for these commodities have been relatively favorable, if declining recently. Coffee production rose 22.8 percent and cocoa production went up 15.2 percent in FY1996. Production increases are expected in 1999 for other cash crops in Cameroon such as bananas, cotton (which was down 10 % in value in 1998), tea, tobacco and rubber. Palm oil and sugar production are expected to stagnate. The market for fertilizers and insecticides should increase substantially during the coming years. Following cancellation of subsidies, most imports from American sources stopped, and today a single company controls about 90 percent of the importation of chemical inputs and additives. European products dominate the market, but nascent medium-sized companies that represent U.S. firms are making inroads through extensive advertising campaigns, seminars and site visits.

IMPORTS FROM THE U.S. (AGC)	1996	USD	565,000
	1997	USD	111,000
	1998	USD	1,035,525

1999 USD 2,460,849 (Estimated)

B. BEST PROSPECTS FOR AGRICULTURAL PRODUCTS

Cereal imports into Cameroon, including corn and wheat, have increased by more than five times in 1997 to stabilize at USD 5 million.

IMPORTS FROM THE U.S. 1996 USD 2,058,000
1997 USD 11,986,000
1998 USD 5,861,035
1999 USD 5,573,465 (Estimated)

1 - WHEAT

Cameroon has five major flourmills. All use a mixture of American and European wheat but in differing proportions. American wheat is currently quoted as more expensive when bought through American dealers rather than European intermediaries. U.S. wheat exports to Cameroon have decreased to 4.5 million in 1998. A small increase is expected in 1999.

IMPORTS FROM THE U.S. 1996 USD 2,058,000
1997 USD 9,604,000
1998 USD 4,503,598
1999 USD 4,932,438 (Estimated)

2 - CORN

Imports of U.S. corn peaked at USD 1,751,605 in 1997. The surge reportedly was due to an acute food shortage in the northern part of the country and to one of Cameroon's main animal feed manufacturers buying corn from the U.S. The import of U.S. corn to Cameroon will likely stabilize at USD 600,000 in coming years.

IMPORTS FROM THE U.S.
1996 USD 400,000
1997 USD 1,751,605
1998 USD 641,027
1999 USD 641,027 (Estimated)

C. SIGNIFICANT INVESTMENT OPPORTUNITIES

The Cameroonian Government is pursuing a program of privatization of public sector industries, which offers U.S. firms an opportunity to bid on World Bank monitored privatizations. U.S. firms may submit purchase bids on the public enterprises that are scheduled to be privatized, including: CDC (the country's largest agricultural plantations project), SODECOTON (the cotton development project), CNR (reinsurance), BICEC (banking), CAMTEL and CAMTEL

Mobile (telecommunications), CAMAIR (the national airline), SNEC (water utilities), and SONEL (electrical utilities) and the National Insurance Retirement Fund (CNPS).

During FY1997, HEVECAM (a rubber parastatal) and CAMSHIP (a shipping/container parastatal) were successfully privatized, and the Laiterie de Ngaoundéré milk processing parastatal was leased to a group of private investors for a two year trial period. CAMSUCO (a sugar complex) and SOCAPALM (a palm oil company) were privatized during FY1999. In the transport sector the national railroad corporation, REGIFERAM, was privatized in an inventive mixed manner in May 1998. In 1999, SOCAR (insurance) was privatized.

The Government of the United States acknowledges the contribution that outward foreign direct investment makes to the U.S. economy. U.S. foreign direct investment is increasingly viewed as a complement or even a necessary component of trade. Nearly sixty percent of total U.S. exports originate with American firms with investments abroad. Recognizing the benefits that U.S. outward investment brings to the U.S. economy, the Government of the United States undertakes initiatives, such as Overseas Private Investment Corporation (OPIC) programs, bilateral investment treaty negotiations and business facilitation programs, that support U.S. investors.

VI. TRADE REGULATIONS AND STANDARDS

A. TRADE BARRIERS, INCLUDING TARIFF AND NON-TARIFF BARRIERS

In January 1994 Cameroon became the first state of the six-nation Central African Economic and Monetary Union (CEMAC) to implement a new Regional Reform Program which included new custom and investment codes. The code eliminated quantitative restrictions on imports, lifted non-tariff protections, eliminated many import licensing requirements, and simplified customs assessments. In January 1998, the tariff code was further liberalized to facilitate regional trade within CEMAC by eliminating duties on manufactured goods, leaving only the Value Added Tax (VAT) which became effective as of January 1999. A functioning, stable CEMAC customs code may ultimately facilitate shipment and sales within Central Africa.

B. CUSTOMS REGULATIONS

Customs taxes in Cameroon are levied on the CIF value of the imported goods. Customs fraud is endemic in Cameroon, and protracted negotiations are common with customs officers over the value of imported goods not subject to SGS valuation. For the purpose of determining the value of goods that are subject to import tariffs, the prevailing practice is to value the goods at the list prices in the country of origin and include the cost of freight to Douala.

C. TARIFF RATES

The 1994 Regional Fiscal Reform Program outlines six different tariffs and taxes associated with importation of goods: The Common External Tariff, the Generalized Preferential Tariff, the Temporary Surcharge, the Excise Tax, the Value Added Tax, and other Service Taxes.

The Common External Tariff (T.E.C.) regroups merchandises in four categories, with rates ranging from 5 to 30 percent:

Cat I : First necessity goods	Rate : 5 percent
Cat II : Raw materials and equipment	Rate : 10 percent
Cat III : Intermediary (semi-processed) goods	Rate : 20 percent
Cat IV : Final products (consumption goods)	Rate : 30 percent

The Generalized Preferential Tariff (T.P.G.) was only temporarily levied and disappeared in 1999, five years after inception of the reform. Its rate was 20 percent.

The Temporary Surcharge is a tax that aims to protect the national economic space. It concerns only some categories of merchandise and ranges from 0 to 30 percent. On prescription of the World Trade Organization, this tax will disappear on July 1, 2000

The Excise Tax, as an indirect tax on consumption goods, covers specific categories of goods defined by Ministerial ordinance. Its rate in Cameroon is 25 percent, but in some CEMAC countries it can soar to 100 percent.

The Value Added Tax (T.V.A.) is a consumption tax. It is levied on both merchandise entering the country and merchandise sold on the local market. For exonerated products, the rate is 0 percent. For other products, the general rate is 17 percent plus a communal tax of 10 percent, or an overall 18.7 percent tax. Products that qualify for the reduced rate will pay 8 percent plus a communal tax of 10 percent, or an overall 8.8 percent tax.

Finally there are miscellaneous taxes on services. The administration of these tariffs is very difficult to understand for the general public. Any potential exporter to Cameroon might want to contact the Custom Administration or the Geneva-based Société Générale de Surveillance (SGS), which handles customs valuation. The SGS, which verifies the quantity, quality and pricing of Cameroonian imports, is headquartered at SGS Control Services, Inc., 42 Broadway, New York, New York 10004 (212/482-8700; Fax: 212/224-9122). A list of SGS field offices in the United States can be obtained from that office.

D. IMPORT TAXES INCLUDING VALUE ADDED TAXES, PURCHASE TAXES, UPLISTS AND SURCHARGES, AND PROVINCIAL TAXES

The 1994 Regional Fiscal Reform Program outlines six different tariffs and taxes associated with importation, which are all discussed above.

E. IMPORT LICENSE REQUIREMENTS

Import licensing has been simplified. Currently a prospective importer needs only the "agrément" in order to import. The "agrément" is a general import license delivered to registered businesses for a duration of two years, renewable, to cover any item that the importer may choose. Special permits are granted to individuals who desire to import items for personal use. Contractors importing equipment and supplies related to public contracts can obtain a special tax-free exemption from the Ministry of Economy and Finance.

F. TEMPORARY GOODS ENTRY REQUIREMENTS

Temporary admission has been scaled down to include only a few large importers wishing to sell on the Cameroonian market. A maximum of one year is allowed for storage, and a security bond is usually required. Storage fees are assessed from the date of landing. The importer pays customs duties on each batch of goods removed from storage until the entire stock is cleared. The Government provides warehouses for temporary admission. Some large importers and freight forwarding companies also operate government-supervised warehouses for temporary admission.

Goods in transit to the landlocked countries of Chad, the Central African Republic and the Republic of Congo (Congo-Brazzaville) are stored in the freight forwarder's warehouse, and an amount equal to the value of assessed import tax is held by customs as a guarantee. The guarantee is released when the goods are removed from the warehouse for onward delivery to their destinations. SGS has initiated a new control to verify that goods destined for trans-shipment are indeed delivered, since they are free of duty.

G. SPECIAL IMPORT/EXPORT REQUIREMENTS AND CERTIFICATIONS

Cameroonian customs officials require a commercial invoice and a bill of lading (or air waybill) for all goods entering the country. Shipping marks and numbers on bills of lading should correspond exactly with those on the invoices and on the goods. Three copies of invoices are requested for surface shipments and four copies for air shipments. In addition, the Cameroonian importer has to present an import license, permit or exception. Documentation on bank transactions concerning the specific delivery is required only if the value of the imported goods is over two million CFA francs (USD 3,333). Certificates of non-infestation, delivered by the appropriate authority in the country of origin, are also required for certain imports such as used clothing. A pre-shipment inspection certificate and the Bill of Clean Findings, delivered by SGS is required for shipments valued over two million CFA francs (FOB).

H. LABELING REQUIREMENTS

Labeling and packaging requirements for canned products destined for Cameroon should have the manufacture and the expiration dates engraved or stamped on top of the container or packaging in clearly legible indelible ink. Dates should be preceded by short comments in French and/or English: “made in” and “to be consumed before.” It is recommended that the label, written in both French and English, carry the following inscriptions: country of origin, the name and address of the manufacturer, the product name, the weight (metric system), and all ingredients, including salt. It is compulsory to prelabel cigarettes that are to be sold in Cameroon. This label, in the form of a fiscal stamp, must theoretically be prepaid by an importer of cigarettes months before the shipment is made. Cameroon has granted a contract to SGS to inspect the quality of goods imported in the country. U.S. exporters interested in doing business with Cameroon may also wish to contact SGS for further information on shipping food items into the country.

I. PROHIBITED IMPORTS

Prohibited imports include specific sanitary products, chemicals, toxic waste, some cosmetics, and some food items. The list of prohibited imports can be modified whenever a new item is identified for exclusion. A complete list of prohibited imports is included in the General Trade Schedule (GTS) that is available for public distribution. American companies may obtain a copy of the GTS from the Cameroonian Embassy in Washington.

J. WARRENTY AND NON-WARRENTY REPAIRS

General conditions on warranty repairs are applicable in Cameroon. Parties to a transaction can also decide whether to fix the item locally and obtain a cash rebate on subsequent orders or send the item back at the supplier’s expense to have it fixed.

K. EXPORT CONTROLS

The Government of the Republic of Cameroon eliminated its most onerous export licensing requirement as of July 1, 1994 by deregulating the export of cocoa, coffee and cotton.. Coffee and cocoa exports must still obtain a quality grade certification. In August 1997, the GRC licensed Société Générale de Surveillance (SGS), La Cordeler Cameroun, SA and L'Observatoire Camerounais de la Qualite (OCQ) to control the quality of Cameroonian coffee and cocoa prior to exportation. Licenses are also required for "strategic" products such as gold and diamonds and for ecologically sensitive items (governed by the CITES Convention) such as live animals, birds and medicinal plants. In January 1998, the GRC removed petroleum and hydrocarbons from the list of sensitive products subjected to prior price assessment procedures.

In order to support the competitiveness of its agricultural products, the GRC eliminated in its FY2000 Financial Law export taxes on eight agro-industrial products: bananas, cocoa, coffee, cotton, rubber, sugar, palm oil and medicinal plants. Although export taxes on agricultural products are seen as an alternative to taxing farmers, a more efficient mechanism for collecting personal income taxes throughout the society is being explored.

L. STANDARDS

The Department of Price Control, Weights and Measures is responsible for standards administration in Cameroon, but its impact has so far been felt mainly in the area of price control. The metric system is the official standard of weights and measures. The standard electric current used in Cameroon is A.C., 50 cycles, 220-380 volts, but there are regional variations to that norm. Television operates on the PAL standard. Cameroon transformed its telecommunications system from analog to digital technology. A cellular phone service was launched in July 1993 to cover a limited geographical area, and a second cellular phone license was also recently granted to a French company. They operate on the GSM standard. While both English and French are official languages in Cameroon, French is essential to successful business transactions. The English-speaking part of the country constitutes only 20 percent of the population.

M. FREE TRADE ZONES/WAREHOUSES

Cameroon's Industrial Free Zone (IFZ) regime is production and export oriented. Only 20 percent of goods produced in the enterprises in the zones can be sold on the Cameroonian market. The GRC has discontinued granting authorizations to investors seeking the free zone regime. The licensing process was suspended since 1996, awaiting an audit of past operations. There are no free trade warehouses in Cameroon.

N. MEMBERSHIP IN FREE TRADE ARRANGEMENTS

Cameroon belongs to all multilateral free trade arrangements except the ATA Carnets Convention. A signatory member of the Lome Convention, Cameroon enjoys special trading advantages within the European Union, its largest trading partner. Cameroon is also a member of the World Trade Organization (WTO) and is one of only six countries in Sub-Saharan Africa to have had its trade policies reviewed through the Trade Policy Review Mechanism (TPRM). Cameroon has established an inter-ministerial committee to monitor and implement its WTO commitments.

O. CUSTOMS CONTACT INFORMATION

Mr. Joseph Moulela, Director of Customs; Telephone (237) 42.32.02. The best alternative would be to contact SGS Control Services, Inc., 42 Broadway, New York, New York 10004 (212/482-8700; Fax: 212/224-9122). A list of SGS field offices in the United States can be obtained from that office.

VII. INVESTMENT CLIMATE

A. OPENNESS TO FOREIGN INVESTMENT

The GRC has outlined several reasons why international corporations and individuals should consider investing in Cameroon. These include: (1) stability in a sea of political turmoil; 2) geo-strategic position entry for Central Africa with a massive Nigerian market next door, 3) highly skilled human resources and an abundance of unskilled workers, 4) abundant natural resources, 5) dynamism of the commercial sector with many small and medium enterprises and industries, 6) tax and customs advantages; 7) freedom of transfer of profits. Cameroon has taken numerous initiatives to attract foreign investors to the country, and GRC policies, as defined by law, meet most of the requirements for an open, liberal investment climate.

The major law governing investments in Cameroon is the investment code enacted in 1990 and currently pending revision for further liberalization. This investment code is very attractive on paper, but its application is perverted by arbitrariness in the application of laws and government controls. The code has made investing in the country simpler and established some attractive financial incentives in exchange for minimal eligibility/performance requirements. The code seeks to attract productive investments through incentives that are identical for both foreign and domestic investors. It provides 14 basic guarantees to investors, including property ownership, ability to repatriate capital and income, prior compensation in case of expropriation, freedom of movement within Cameroon and free egress for personnel.

General benefits of the investment code are available to all new and existing enterprises in Cameroon which process goods for export or use inputs from the local or regional markets of CEMAC. In addition to these general benefits, firms may qualify for one of five special investment formulae which offer more advantages. The five are (1) the Basic Regime; (2) the Small and Medium-Size Enterprise Regime; (3) the Strategic Enterprise Regime; (4) the Reinvestment Regime and (5) the Free Zone Regime. The code sets out in detail the specific criteria a firm must meet to qualify for each regime as well as the benefits accorded thereunder.

The law has established an Investment Code Management Unit (ICMU) within the Ministry for Industrial and Commercial Development (MINDIC). The ICMU is located in Douala, the economic capital. ICMU is a "one-stop-shop" for investment approval and dispute resolution. Efforts to further streamline the process and to transform ICMU into a virtual investment promotion agency are now underway. Foreign investment is not screened, and foreign equity ownership is subject to limitation only in the Small and Medium Size Enterprise Regime (see Section V below.). Programs financed jointly by International Financial Institutions (IFIs) and the Government are open to unrestricted competition. Formerly a country with numerous state-owned monopolies, Cameroon is in the midst of a privatization process which will eliminate all public sector monopolies before the year 2000 except for aluminum. Foreign firms may not invest directly in ventures defined as "strategic" by the Government of Cameroon, but they may provide equipment and services to the parastatals that have jurisdiction over such activity. The

GRC has revised and rationalized exploration codes for the hydrocarbons and forestry sectors. It is also presently developing a code for industrial mining exploitation which is expected to be completed by the end of 1999 and utilized to invite investors into the mining sector.

Despite Cameroon's attractive investment code and the favorable laws for private enterprise few foreign investors have initiated operations in the country. Domestic investors remain somewhat restrained in their investment plans despite the exuberance brought on by the Chad/Cameroon pipeline project.

B. RIGHT TO PRIVATE OWNERSHIP AND ESTABLISHMENT

The right of private ownership is recognized in Cameroon, but is limited in practice by a dysfunctional judiciary, inadequate definitions of property rights and widespread inconsistencies in government decision making. Foreign and domestic individuals and firms are legally entitled to establish and own firms, engage in remunerative activities, and establish, acquire and dispose of interests in business enterprises. The law also permits investors to dispose of their property via sale, transfer or physical repatriation of moveable property.

C. PROTECTION OF PROPERTY RIGHTS

Secured interests in property are recognized and basically enforced. The concept of mortgage (or "hypothèque" in French) exists in Cameroonian law and the title or "titre foncier" is the legal instrument for registering such security interests. Foreign and domestic investors are provided with guarantees that substantially comply with international norms. Cameroonian law does not discriminate, and both foreign and domestic firms compete under the same rules. In practice, however, Cameroonian courts and administrative agencies grant preferential treatment to domestic firms and have sometimes been accused of corrupt practices.

Cameroon is the headquarters for the 14-nation West African intellectual property organization, Organisation Africaine de la Propriété Intellectuelle (OAPI). OAPI is a member of the World Intellectual Property Organization. In cooperation with member states, OAPI offers registration for patents and trademarks. Patents in Cameroon have an initial validity of ten years. They can be renewed every five years upon submission of proof that the patent was used in at least one of the 14 member countries of the OAPI. In the absence of use, compulsory licensing is possible after three years. Trademark protection is initially valid for 20 years with renewal possibilities every 10 years. Trademark enforcement in Cameroon is weak due to the small size of the domestic market and the costs of enforcement.

Cameroon is also a party to the Paris Convention on Industrial Property and the Universal Copyright Convention. A licensed copyright company, the Societe civile nationale des droits d'auteurs (SOCINADA), registers copyrights for all types of publications, including music, books and periodicals, paintings, theatrical productions, etc. Officially, SOCINADA cooperates with copyright protection agencies in other countries. Steps to implement the World Trade

Organization’s TRIPS agreement are being undertaken through an Inter-ministerial Technical Committee.

D. ADEQUACY OF LAWS AND REGULATION GOVERNING COMMERCIAL TRANSACTIONS

While, on paper, Cameroonian law is complete and adequate in regards to commercial transactions, few foreign investors have started new operation in the country because current practice does not always permit fair implementation of its laws. Under the current judicial system, local and foreign investors, including some U.S. firms, have found it complicated and costly to enforce contract rights, protect property rights, obtain a fair and expeditious hearing before the courts or defend themselves against frivolous lawsuits. However, the recently implemented “Organisation pour l’Harmonisation du Droit des Affaires en Afrique” (OHADA) treaty offers some hope for more objectivity in the judiciary. The GRC has not signed the OECD Convention on Combating Bribery.

Cameroon has a special preference agreement with France, which has only recently been implemented. The convention, also applicable in the other former French colonies in Africa, accords several advantages to French companies which maintain branches or agents in Cameroon. Among the advantages are exemption from the 15 percent special tax applicable to other enterprises operating in Cameroon and the right to deduct “technical assistance” charges from the company’s tax bill.

E. FOREIGN TRADE ZONES/FREE PORTS

Cameroon has no Foreign Trade Zones or Free Ports at this time; however, it does have an Industrial Free Zone (IFZ) Regime which is applicable to all locations through “industrial park” or “single-factory” zones. This was created in 1990 to promote internationally competitive export industries. It creates conditions for the IFZ investor to operate virtually outside of the jurisdiction of the country's established legal and regulatory systems. The only eligibility requirements to qualify for IFZ status are production of goods or services at least 80 percent of which are export-bound and which do not have deleterious effects on the environment. The National Office for Industrial Free Zones (NOIFZ) is the non-profit regulatory body established to oversee and administer Cameroon’s IFZ program. IFZ firms receive a 10-year exemption from taxes and are subject only to a flat tax of 15 percent on corporate profits beginning in the eleventh year. They have a right to tax-free repatriation of all funds earned and invested in Cameroon, and are exempt from foreign exchange regulations. They are exempt also from existing and future customs duties and taxes including those on locally purchased production inputs. The operation of the NOIFZ has been suspended. The GRC has discontinued granting authorizations to investors seeking the Free Zone regime. Licensing, which was suspended in 1996, is still awaiting an audit of past operations. Some foreign investors have had difficulties in the past with the free zone regulations.

F. MAJOR TAXATION ISSUES AFFECTING U.S. BUSINESS

In 1994 Cameroon implemented a new Regional Reform Program which included tax reform. The new code reduced the number of taxes applied to imports from over seven to four and reduced the overall rate from a maximum 200 percent to a maximum of 70 percent on luxury goods and a minimum of five percent on necessities. Since the beginning of 1999, only the TVA is collected on intra-regional goods. Foreign investors are required to pay customs duties as well as income, turnover and business taxes.

G. PERFORMANCE REQUIREMENTS/INCENTIVES

Cameroon's 1990 investment code establishes requirements for at least 35 percent Cameroonian equity ownership for enterprises under the Small and Medium-Size Enterprise (SME) regime. Even in such instances, foreign investors are not required to reduce their shares over time. Under the investment code, an Industrial Free Zone (IFZ) investor can operate virtually outside of the jurisdiction of the country's established legal and regulatory systems; there are no requirements for technology transfer, no requirements to locate in specific geographical areas and foreign exchange privileges are not rationed. Investors can transfer dividends, return of capital, interest and capital on foreign debt, lease payments, royalties and management fees, returns on liquidation, etc. The Ministry of Finance routinely authorizes such business remittances and foreign investors may seek local financing for investment purposes.

The investment code has general employment requirements relative to the amount of invested capital. It also links benefits and incentives to the volume of exported goods and to the use of inputs purchased from the local or CEMAC markets. Each of the five special regimes of the code has its own specific eligibility and performance requirements and accompanying benefits. Such benefits vary in duration from three to twelve years depending on the regime and on whether the investment is classified "start-up" or "operational." Quantitative restrictions on imports, non-tariff protection, and many import licensing requirements were lifted when the new tariff code was enacted in January, 1994 to conform to central African regional customs regulations. In addition, many other price controls were abolished in 1998 and now remain only on "strategic" goods and services such as electricity, water, public transportation (road/rail), telecommunications, cooking gas, pharmaceuticals, school books, and port-side activities (stevedoring, etc.)

The procedures for enforcement of performance requirements of the investment code are not clearly defined. The Government has not made any public statements concerning performance requirements. Foreign participation in government financed and/or subsidized research and development programs is restricted to programs which are beyond the technical capacity of Cameroonian firms. Visa, residence and work permit requirements do not particularly inhibit foreign investors.

H. TRANSPARENCY OF THE REGULATORY SYSTEM

Cameroon's regulatory environment has improved during the past years as numerous sectoral reforms have been made. Most export licensing requirements were removed in 1994 when the Government liberalized the coffee and cocoa markets. The role of the newly established Coffee and Cocoa Board replacing the National Produce Marketing Board has been limited to providing international market price information to farmers and exporters. Liberal regulatory and profit sharing regimes governing petroleum exploration and production are in place and have stimulated a revival of the development of marginal fields and of exploration and production in new fields. The still to be implemented 1994 forestry code makes incremental progress toward a more rational and managed exploitation of Cameroon's rich forest resources. By the year 2000, all timber cut in Cameroon should, by law, be processed in-country before export. The export price for processed wood has increased by 230 percent, while that for cut logs has risen only 20 percent. Since less than half of the Cameroonian wood has traditionally been processed in-country, the new codes should increase revenue in this sector.

Under pressure from international financial institutions, a decree in 1997 established a joint government/private sector competitiveness committee to identify the main obstacles to competitiveness, propose measures aimed at reducing the costs of transactions and to monitor, in the interest of the parties, the implementation of decisions taken. The World Bank insisted that the work of the committee result in adoption of a revised law on competition. The new and more liberal labor code, passed in 1992, relaxed conditions for wage-setting, hiring and firing, making it easier for the employer to do business. The improved regulatory environment did not, however, produce the desired results due to limited resources, inadequate control and enforcement and corrupt practices.

I. CORRUPTION

Like in most developing countries, corruption is endemic in Cameroon. The GRC launched several public campaigns in 1998 to combat corruption and promote good governance. The public viewed these campaigns with skepticism. The GRC did not follow through with any significant arrests or sanctions against corrupt officials. A dysfunctional judicial system severely disrupts development of Cameroon's economy and society. Persons accused of corruption by the local press are seldom called to account before the courts.

On the positive side, recipients of GRC payments are no longer routinely obliged to relinquish 30 percent of the sum to the civil servants who process their vouchers, although some still attempt to apply the measure. Corruption at customs reportedly diminished after February 1996 when a private company, Societe Generale de Surveillance (SGS), was given an exclusive contract to verify and assess customs duties due for FOB imports valued over USD 3,333. However, it appears that corruption at customs has continued, changing only its form.

J. LABOR

Cameroon's labor-management relations are governed by the labor code enacted in 1992. The code restores collective bargaining and employee-employer primacy in the negotiation of wages; eliminates fixed zonal wage scales; abolishes employment by level of education; eliminates government control over layoffs and firings; and reduces government involvement in the management of labor unions. The code, however, does not apply to civil servants, employees of the penal system, or workers responsible for national security. Its implementing decrees were completed in 1993, but remain open to legal interpretation. Labor disputes are still common. Cameroon is a party to the ILO Convention on the protection of labor rights, but government adherence to some of its provisions was seriously questioned in April 1994 when the administration interfered in the functioning of the Confederation of Cameroon Trade Unions (CSTC) through the illegal ousting of its elected Secretary General. After the democratically elected leader was restored to his post by an extraordinary CSTC congress, the government supported the founding of a competing Confederation of Free Cameroonian Trade Unions (USLC), headed by a former CSTC vice president. Both organizations appear to be either dominated or thoroughly intimidated by the government. CSTC is now rife with internal divisions and has become a specter of its former self. The ILO notes that the Government has failed since 1991 to recognize the National Union of Teachers of Higher Education. The CSTC is a member of the Organization of African Trade Union Unity (OATUU) and the International Confederation of Free Trade Unions (ICFTU).

The 1992 code provides a legal framework for the emergence of a flexible and efficient labor market, in theory, but such a market has not yet been allowed to operate. Cameroon has a high literacy rate and offers a relatively well-educated labor force, yet unemployment has been estimated at between 30 and 35 percent in the two major cities of Douala and Yaounde. There is a large surplus of unskilled and non-technical labor. Due to inadequate mechanical and technical training, some industries have experienced difficulties in recruiting skilled labor on the domestic market. The free movement of goods and people, envisaged in the nascent Central African Economic and Monetary Community (CEMAC), is expected to address this problem, in theory, though cross-border labor movement as a practical matter will probably remain limited.

K. EFFICIENT CAPITAL MARKETS AND PORTFOLIO INVESTMENTS

Interest rates are set by the regional central bank (BEAC), which is closely monitored and regulated by the French Government. Foreign investors are able to obtain credit on the local market, but usually borrow offshore due to high domestic interest rates. Cameroon's legal and regulatory systems are inefficient and often arbitrary, and the GRC has not yet established a regulatory system to protect and encourage high-risk portfolio investments. Cameroonian partners of foreign firms have occasionally attempted to take over the operations of local companies via court action or through harassment and intimidation by government officials.

Cameroon has no securities market or bond market. However, at a meeting in Douala this year, a decision was reached to create a regional securities exchange, such as the one recently established in Abidjan. One stumbling block, however, is its location; Douala and Libreville both wish to host the new stock exchange, targeted to become operational in November 2000. Banque Nationale de Paris has been mandated to draw up a model for a small screen based securities market for the Central African franc zone.

On the heels of this development, the Minister of Economy and Finance has announced a plan to totally restructure the financial and banking sector by forming a national commission under his oversight. He would create a national securities market using the current national investment office (SNI), the national loan recovery agency (SRC) and the debt redemption sinking fund (CAA) as pillars. Advisors on the exchange market are the Societe de Bourse de Paris, Citibank and the International Finance Corporation.

Mergers and take-overs are currently undertaken discreetly through negotiations. In Cameroon's ongoing privatization program, only 13 enterprises of 33 to be privatized by the end of 1999 remain to be sold or liquidated. The more than six privatization laws have been described as some of the most complete on the books, but criticized for the heavily bureaucratic process they put in place.

Restructuring of the financial system began in 1986 and is now considered nearly complete. At the end of February 1999, Cameroon banking system network was composed of nine functioning commercial banks with sixty branches. Commercial banks constitute the largest part of the financial sector with total assets of CFA francs 526 billion (approximately USD 911.6 million) at the end of June 1997. The three institutions that dominate the sector represent more than 60 percent of total bank assets. The ratio of provision for doubtful loans is low and much of the total asset base of the banks is estimated as non-performing. In order to further secure the banking system, a sub regional deposit guarantee fund covering all CEMAC countries, FEGADAC, was created. Cameroon took part in its creation by a Presidential decree signed on April 20, 1999. Private firms are free to associate with any partner they choose and in whatever percentage participation they negotiate with such partners. Companies are also free to organize into industry associations.

L. CONVERSION AND TRANSFER POLICIES

The Communaute Financiere Africaine (CFA) franc is the currency denomination which Cameroon shares with fourteen other African member states of the CFA franc zone. This currency continues to be pegged to the French franc, ensured by the French Treasury, and remains readily convertible. In 1994, the exchange rate parity was reduced by 50 percent to a fixed parity of 100 CFA francs to one French franc. Since late 1993, Central African CFA banknotes are no longer accepted in the eight countries that use the currency of the West African CFA. The decline in the value of the French franc and continued decline in the value of the Euro (created in January 1999) relative to the dollar have helped maintain the gains in competitiveness realized since the devaluation, not withstanding the devaluation of South-East Asian currencies. Some speculation surrounds the creation of the Euro and the question of whether the CFA will be able to adjust to the stringent requirements of that currency over time.

The regional central bank (BEAC) no longer allows the purchase of CFA notes abroad; travelers from Cameroon are allowed to carry a maximum of 20,000 CFA francs out of the country without prior authorization. Travelers' checks can be drawn on any available foreign currency, but the Ministry of Economy and Finance (MINEFI) authorizes such purchases. No ceilings have yet been placed on how much foreign currency can be purchased per trip. The authorization of MINEFI is required for foreign exchange business transfers. These authorizations are routinely granted if they conform to the specified incentives of the investment and fiscal codes. Dividends, return of capital, interest and principal on foreign debt, lease payments, royalties and management fees, returns on liquidation, etc., can all be remitted abroad. It takes an average of 12 days to obtain a foreign exchange transfer authorization.

M. EXPROPRIATION AND COMPENSATION

Foreign and domestic investors are provided extensive legal guarantees that substantially comply with international norms, including full and prior compensation, in the event of expropriation in the public interest. There are no confiscatory tax regimes or laws that could be considered detrimental to American or other investments. Undeveloped land is more at risk for local expropriation than developed property; Cameroonian law does not require local ownership of land.

N. DISPUTE SETTLEMENT INCLUDING ENFORCEMENT OF FOREIGN ARBITRAL AWARDS

The Cameroon investment code provides for dispute resolution. At the time of incorporation or application for investment code benefits, a firm may opt for one of the various procedures to settle future conflicts. A limited number of investment disputes has come to the attention of the U.S. Embassy. In one instance, a three year long dispute was complicated by competition from a French firm which holds a virtual monopoly of the relevant market and which convinced local authorities to assist in hampering the American competition. More typically, an unscrupulous Cameroonian partner may either take over the shares of the foreign partner or simply seize control of the joint venture through unorthodox methods. Local business practice includes routinely exerting, or attempting to exert, pressure on the courts which may sometimes be swayed by local financial largess or political status. Foreign companies sometimes claim that judgments against them are obtained fraudulently or as the result of frivolous lawsuits.

In the past, Cameroon's judicial system has been considerably influenced by the Executive Branch which oversees its operations including determining salaries and benefits. Foreign investors, including some U.S. firms, have found it difficult to obtain enforcement of their legal rights, including contract and property claims, through the Cameroonian judicial system. However, this may change once the 1996 constitution establishing the judiciary as an independent branch of government has been implemented. The execution of judgments is slow and fraught with administrative and legal bottlenecks. The IMF and the World Bank, through their Structural Adjustment oversight, are trying to assist Cameroon in reforming its judicial system.

Cameroon's bankruptcy law is an integral part of its commercial law. In case of bankruptcy, creditors are not covered except by way of negotiable or enforceable guarantee instruments held by the creditor. Cameroon accepts binding international arbitration of investment disputes between foreign investors and the state, is a member of the International Center for the Settlement of Investment Disputes (ICSID), and is a signatory to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards. In May 1997, the Council of Business Managers and Professional Associations (GICAM), an association of 140 enterprises and 15 professional associations representing 70 percent of all formal sector business activity in the country, voted to constitute its own Arbitration Center to which business cases can be submitted. On 1 January 1998, the treaty on the Organisation pour l'Harmonisation du Droit des Affaires en Afrique (OHADA) between the 15 states of the CFA franc zone plus Guinea entered into force. The treaty is designed to promote the development of an African economic community, the institution of a common business policy and the guarantee of judicial security and compatibility within that community. Through its regional judiciary in Abidjan, objectivity should be reinforced as the treaty is implemented with the assistance of the Council of French Investors in Africa (CIAN).

O. POLITICAL VIOLENCE

There have only been a few incidents of politically-motivated civil disturbance or violence during the past few years. Most of those have been a direct result of the GRC's poor human rights record, when government and security officials have committed numerous serious abuses. The threat of political violence continues to be a possibility in Cameroon, but is not likely to target foreign firms or projects. A complicating factor is the existence of a nascent English-speaking separatist movement. Cameroon's border problems with neighboring Nigeria continue over the disputed Bakassi Peninsula. However, political tensions have decreased due to increased contact between high-level politicians of the two countries. The armies of both countries remain mobilized in this region. On rare occasions tensions break out into firefights which cause deaths and injuries.

P. BILATERAL INVESTMENT AGREEMENTS

Cameroon has bilateral investment and/or commercial agreements with the following countries: Austria, Belgium, Canada, China, Denmark, France, Germany, Greece, Italy, Japan, Russia, South Korea, Spain, Switzerland, the United Kingdom, and the United States. Similar agreements also exist with other countries in Africa, Asia, Latin America, and Eastern Europe. The bilateral investment agreement between Cameroon and the United States was ratified in 1986 and entered into force in 1989. While the original timeframe for the agreement was 10 years, it is expected that it will be renewed without any difficulties. The U.S. invoked the BIT in one case in 1997 and Cameroon has ostensibly acquiesced in the case through non-implementation of legislation contrary to the treaty.

Q. OPIC AND OTHER INVESTMENT INSURANCE PROGRAMS

The U.S. Government signed an investment guarantee agreement with Cameroon in 1967. OPIC has been receptive to American firms seeking war, expropriation and inconvertibility insurance and has guaranteed several ventures in Cameroon. OPIC is currently assessing the recent record and appears ready to underwrite viable projects in the future. The Cameroon investment code guarantees protection from non-commercial risk as per the Multilateral Investment Guarantee Agency (MIGA) Treaty with Cameroon.

R. CAPITAL OUTFLOW POLICY

Cameroon does not encourage the export of capital and does not have a policy on Cameroonian investments in foreign countries. Most Cameroonian capital abroad is presumably in European financial institutions and/or real estate.

A second devaluation of the 14 country CFA franc has been dismissed as unlikely until the introduction of the Euro hard currencies by EU and IFI observers. The IMF has written "given its high dependence on the production and export of a limited number of primary commodities, whose world prices are expressed in U.S. dollars, and the modest size of intra-zone trade, the CFA franc zone would remain substantially more vulnerable to exogenous shocks than the EMU countries. But the linking of the CFA franc to the euro offers the CFA franc countries the opportunity to intensify their adjustment efforts, as well as to step up their initiative to enhance regional economic integration."

S. MAJOR FOREIGN INVESTORS

Direct foreign investment (DFI) plays a key role in the Cameroonian economy. However, neither the GRC nor the moribund Chamber of Commerce has compiled a comprehensive list of foreign investments in Cameroon or estimates of current values. Flow data on DFI, disaggregated by country, is not available and there are no statistics on Cameroon's direct investment abroad. France is overwhelmingly the most important foreign investor in terms of the total capital in Cameroonian enterprises and percent of the total stock of foreign investment. Cameroon's Prime Minister led a trade mission, composed of many ministers and several prominent Cameroonian business personalities, to France in April 1998 and subsequently to Switzerland. This search for foreign investment has apparently resulted in a number of joint venture and foreign investment projects including the construction of three hotels in Douala and Yaounde. The Committee of French Investors in Africa (CIAN) was instrumental in organizing an April 1998 investment seminar devoted solely to Cameroon and is reportedly favorable to the possibility of joint ventures with U.S. investors who might not have the long standing operational expertise that French investors historically have.

The Commonwealth Development Corporation has a 36,104,000 pounds sterling investment in Cameroon in the CDC, HEVECAM, Printpak, SNEC, and SOCATRAL enterprises. It maintains a dialogue with the GRC in view to participating in privatization for debt so as to reactivate its investment program. China has concluded an agreement to construct a tractor assembly plant in the south and has signed a convention that will lead to the implantation of a tire retreading plant. The GRC is anxious to strengthen commercial relations with the U.S. and has invited several American trade missions to the country. U.S. direct foreign investment in Cameroon is significant through five major U.S. petroleum industry companies and a company that produces oral care/hygiene products for the local as well as regional market of Central Africa from its Cameroon plant. Others include fruit production enterprises, communications companies and fertilizer and insecticide producers. Several dozen U.S. companies are currently represented in Cameroon either directly or through agents or distributors. Construction of the multinational Chad/Cameroon pipeline will require a total investment of about 1.5 billion USD in Cameroon alone, bringing total U.S. pipeline investment in Cameroon to one of the largest in the country.

T. HOST COUNTRY CONTACT INFORMATION FOR INVESTMENT-RELATED INQUIRIES

The Investment Code Management Unit (ICMU) was established in 1991 to assist foreign and domestic investors in starting businesses in Cameroon. It provides investment authorization and a variety of other services through a network of official correspondents in all relevant Ministries. Contact Ms. Marthe Angeline Minja, Director, ICMU, P.O. Box 15438, Douala, Tel: 237-42-59-46/43-31-11, Fax: 237-43-30-07.

VIII. TRADE AND PROJECT FINANCING

A. DESCRIPTION OF THE BANKING SYSTEM

Cameroon's banking system is controlled by the Banque des Etats de l'Afrique Centrale (BEAC), a common central bank also serving the five other member countries of the Central African sub-region. BEAC is monitored closely and regulated by the French Treasury. In 1993, member states of BEAC created a supranational supervisory authority, COBAC (Commission Bancaire de l'Afrique Centrale), over all banking and finance institutions in the Central African CEMAC sub-region and granted it extensive powers to discipline delinquent institutions. In order to further secure the banking system, a sub regional deposit guarantee fund covering CEMAC countries, FEGADAC, was created.

Like all other signatories to a 1948 agreement creating the Communaute Financiere Africaine franc zone, Cameroon is obliged to hold at least 65 percent of its foreign reserves in an account ("compte d'operation") that is supervised and managed in Paris by the French Treasury. This account is the principal means by which France guarantees the exchange of CFA francs into French francs at a fixed exchange rate (1 FF = 100 CFA). The introduction of the Euro currency early this year, expanded even further the convertibility of the CFA franc. Lending/borrowing base rates are set by the BEAC, and banking institution are not allowed to lend below the floor rate, except by authorization of the National Assembly.

Cameroon's banking system is currently made up of nine operating full-service commercial banks with 60 branches. The return of a U.S. bank operation to Cameroon in 1998 has facilitated and improved financial transactions between the U.S. and Cameroon. Previously, these banks were obliged to hold non-interest-bearing government bonds equivalent to 10 percent of their assets. GRC arrears on these bonds have been consolidated at BEAC, and commercial banks are no longer required to purchase new government bonds. The dominant factor in the now normalizing banking crisis was the large amount of non-performing debt that the GRC and public enterprises owed the banking system. Weaknesses of commercial banks in Cameroon include a lack of willingness to take risks and assess good venture; outdated products which reflect the need for modern banking, and the lack of quality service and bank secrecy.

B. FOREIGN EXCHANGE CONTROLS AFFECTING TRADE

Foreign exchange controls exist in Cameroon primarily for statistical purposes and to enable the Ministry of Finance to certify that remittances conform with established regulations. Authorizations for foreign transfers are routinely granted. Foreign exchange rationing is not practiced in Cameroon.

C. GENERAL AVAILABILITY OF FINANCING

The Board of Directors of EX-IM Bank voted in October 1998 to expand its programs to finance the export sale of U.S. goods and services to Cameroon. Specifically, U.S. exporters or Cameroonian buyers of U.S. goods can apply for EX-IM bank financing under the short and medium-term private sector financing program.

Importers and exporters use internationally accepted methods of settlement. Local sources of commercial credit are extremely limited; therefore, the liberal credit terms usually offered by the competition may in fact outweigh a considerable price differential. Nevertheless, due to pervasive credit risk extending even to the banking and public sectors, many U.S. firms exporting to Cameroon find it prudent to insist on irrevocable, confirmed letters of credit drawn on banks with strong foreign correspondents. Foreign competition often grants credits of 180 days for consumer goods and 24 months for small machinery and equipment. European banks often quote liberal terms and may discount paper for their exporters who are pursuing long-term credits.

D. HOW TO FINANCE EXPORTS/METHODS OF PAYMENT

Due to pervasive credit risk, extending even to the banking and public sectors, many U.S. firms exporting to Cameroon find it prudent to insist on irrevocable letters of credit drawn on banks with strong foreign correspondents. The return of a U.S. bank operation to Cameroon in 1998 has facilitated and improved financial transactions between the U.S. and Cameroon. European banks often quote liberal terms and may discount paper for their exporters who are pursuing long-term credits of 180 days for consumer goods and 24 months for small machinery and equipment. Transactions are most frequently settled through guaranteed, irrevocable letters of credit.

E. TYPES OF AVAILABLE EXPORT FINANCING AND INSURANCE

Foreign investors can obtain local financing for investment and trade purposes at non-discriminatory terms. However, as a result of Cameroon's comparatively high interest rates, most investors prefer to borrow from foreign sources. The U.S. Export-Import Bank suspended lending to Cameroon in 1992 and rescheduled a substantial part of the country's payment arrears. Currently, the U.S. Export and Import Bank is only willing to consider finance of short-term loans and guarantees for exports to private Cameroonian buyers. A pilot project to include the public sector in Cameroon is currently under study.

F. AVAILABILITY OF PROJECT FINANCING

Multilateral financial institutions have long been active in project financing in Cameroon. The World Bank has a resident representative in Yaounde, and its affiliate, the International Finance Corporation (IFC), maintains regional offices in Douala for borrowers in Central Africa. The African Development Bank (AfDB) Group involvement in Cameroon started in 1972 and has thus far financed more than 30 projects valued at over USD 700 million. OPIC has guaranteed funding for one project in recent years and has expressed interest in assisting Cameroon, but no new projects have yet developed.

G. TYPES OF PROJECTS RECEIVING FINANCING SUPPORT

AfDB closed its Cameroon office when the country moved to the status of being qualified only for concessional resources. Vigorous efforts to initiate a new Cameroon program, particularly through AfDB's Private Sector Unit, are underway. Evidence of this is that Cameroon was the recipient from the African Development Fund of two loans (for poverty alleviation and support for the ESAF program—USD 38 million) and three aid packages (for rural electrification and potable water—USD 41 million) in early 1998. Currently, consideration is being given to a national agricultural research and extension (UA 8.97 million) project. These institutions have financed projects in the public and private sectors including agricultural and industrial projects.

H. LIST OF BANKS WITH CORRESPONDENT U.S. BANKING ARRANGEMENTS

The following eight of Cameroon's nine commercial banks have U.S. correspondents. The Highland Corporation Bank's approval to operate as a full bank is still under consideration by COBAC.

- Amity Bank: Citibank, New York, and Bankers Trust, New York.
- Banque Internationale du Cameroun pour l'Epargne et le Crédit (BICEC): Citibank, New York.
- Caisse Commune d'Epargne et d'Investissement (CCEI): Republic National Bank, New York, and Citibank, New York.
- Commercial Bank of Cameroon: Credit Commerical de France, New York, New York
- Citibank: Citibank, New York.
- Societe Commerciale de Banque Credit-Lyonnais (SCB-CL): Credit-Lyonnais, New York.
- Societe Generale de Banque au Cameroun (SGBC): Societe Generale, New York.
- Standard Chartered Bank: Standard Chartered Bank, New York

IX. BUSINESS TRAVEL

U.S. Business travelers are encouraged to obtain a copy of the “Key Officers Of Foreign Service Posts: Guide For Business Representatives” available for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402; Tel: (202) 512-1800; Fax: (202) 512-2250. Business Travelers to Cameroon seeking appointments with U.S. Embassy Yaounde officials should contact the Political/Economic/Commercial section in advance. The P/E/C section can be reached by telephone at: (237) 23-4014 or (237) 22-25-89; Fax: (237) 23-07-53.

A. BUSINESS CUSTOMS

Although Cameroon has the largest private sector in French-speaking Central Africa, its business community does not have a fixed western pattern of behavior. Cameroonians appreciate an opportunity to "get to know" a potential partner before beginning concrete discussions. It is helpful in Cameroon to supplement written communications with as many face-to-face encounters as possible. Adherence to western standards of punctuality is not the norm; patience and persistence are needed to do business in Cameroon. Mitigation of culture and language barriers may be addressed by a visit to the American Business Services Centers of the Embassy.

B. TRAVEL ADVISORY AND VISA

Visas and return tickets are required for entry into Cameroon. Visas can be obtained from the Cameroonian Embassy in the U.S. (2349 Massachusetts Ave. N.W., Washington, D.C. 20008, tel. 202-265-8790) and in France (17 bis, rue Longchamps, Paris 75016). Visitors who arrive without a visa may be required to leave the country on the next available flight, particularly if they are coming from a country where there is a Cameroonian Embassy. For passengers arriving from countries without Cameroonian diplomatic representation, airport visas are usually available.

Americans considering travel to Cameroon are urged to consult the Department of State’s latest Consular Information Sheet (CIS) for Cameroon. The CIS, which is updated periodically, may be obtained by calling the State Department's Citizen's Emergency Center at (202) 647-5225 or (202) 647-0900. American citizens residing in Cameroon are urged to register with the Consular Section of the American Embassy in Yaounde.

C. HOLIDAYS

The following Cameroonian national holidays are scheduled on fixed calendar days: January 1 (New Year's Day), February 11 (Youth Day), May 1 (Labor Day), May 20 (National Day) and December 25 (Christmas Day). Cameroon's Christian holidays fall on different dates of the year and include Good Friday, Ascension Day and Assumption Day. Muslim holidays falling on unspecified calendar days include Ramadam and Tabaski. Holidays falling on Sundays are observed on Mondays. When a working day intervenes between two recognized holidays, the working day is almost always declared a public holiday. Sunday is the only week day considered officially as a non-working day.

D. WORK WEEK

The Cameroonian work week is generally Monday through Friday, 7:30 am to 3:30 pm; half hour break between 12:00 noon and 1:00 pm. The Cameroonian workweek does not include Saturdays even though businesses are open that day. Government offices are officially open from 7:30 am to 3:30 pm without interruption. Businesses generally are open from 8 am to 6 pm with a brief closing for lunch.

E. BUSINESS INFRASTRUCTURE

Good roads connect Cameroon’s southern cities. Its main business centers, Yaounde and Douala, are easily accessible from Bamenda (North West Province) and Bafoussam (West Province) and from Cameroon's two main seaside towns of Kribi and Limbe. A paved 510-kilometer road links the three major northern cities of Ngaoundere, Garoua and Maroua to each other, but they are cut off from the southern cities by long stretches of unpaved road. Regular bus service is available between Yaounde, Douala, Limbe, Bafoussam and Bamenda, but comfort is often minimal. As accidents are frequent, bus travel, especially at night, should be avoided when possible. Car rental is available in Douala, Yaounde, Ngaoundere and Garoua. Visitors to most of the country's towns and cities can also hire taxicabs.

Cameroon's railway and airline service links the southern and northern zones at a northern terminal in Ngaoundere. Railway service between Douala and Yaounde has deteriorated, as delays and derailments are common. Cameroon National Railways Authority (REGIFERCAM) was privatized and in early 1999, and CAMRAIL took over amidst hope that the service will improve in the coming years. Air flights are available, if unreliable, between Douala, Yaounde, Ngaoundere, Garoua and Maroua. There are two carriers for in-country service, Cameroon Airlines (CAMAIR), the national carrier, and Air Affaires Afrique (AAA), a charter carrier with plans to become scheduled. The open skies initiative has raised hopes of increased competition in the air service. Already two companies have been granted licenses to operate. There are sometimes delays, cancellations and overbooking of CAMAIR flights. Passengers should arrive at the airport early to improve their chances of receiving a boarding pass. Cameroon imposes an airport departure tax of 10,000 CFA francs (USD 16.67) for international flights and 500 CFA francs for domestic legs.

French is the dominant business language in Cameroon although approximately 20 percent of the population and much of the business community speak English, Cameroon's other official language. English can also be used in the two English-speaking provinces and the larger cities. Pidgin is a local lingua franca in half of the provinces of Cameroon. The staffs of major hotels and restaurants are usually bilingual. Several hotels of international standing operate in Douala and Yaounde.

There are many restaurants in Douala and Yaounde that serve a variety of cuisine including Cameroonian, French, Chinese, Italian, Lebanese, Cambodian, Vietnamese, Indian and Japanese. Special precaution should be taken by American visitors to drink only bottled or boiled (and filtered) water in restaurants and hotels. A number of European and American credit cards are accepted in many restaurants and hotels in Douala and Yaounde, but generally cash is required. To the Embassy knowledge, there are no accommodations in Cameroon likely to assist a traveler in getting cash upon presentation of a credit card.

All visitors entering Cameroon are required to present evidence of a yellow fever vaccination received within the last ten years on a valid World Health Organization (WHO) international health immunization certificate. The certificate must be presented upon arrival and departure from Cameroon. Medical evacuation insurance is recommended for all travelers visiting Cameroon. Vaccinations against tetanus, typhoid, polio, meningitis, and hepatitis A and B are recommended. Cameroon has chloroquine- and fansidar-resistant malaria. Americans are urged to take appropriate malaria prophylactic medication and to use insect repellents.

Cameroon and the United States have a direct telephone link via satellite. The country code for Cameroon is (237). All telephone numbers have six digits, and there are no city or area codes. Cameroon has fax and telex services, and it was the first country in Central Africa to launch a cellular phone service in 1993. Internet service was established in Cameroon in 1997, and there are now even Internet coffee houses connected in Douala and Yaounde, as listed in Chapter XI.

Many streets in Cameroon do not have names or numbered addresses. Consequently, most businesses, hotels, restaurants, government offices and individuals do not have street addresses. Mail is generally sent to a "boite postale" (B.P.) or post office box (P.O. Box). International Organizations and renowned private businesses often use express mail services (including Federal Express and DHL Worldwide Express representative), despite the greater cost.

Villas and houses are available for rent in most towns in Cameroon. Apartments are available for rent in Douala and Yaounde. Rates have dropped considerably since 1992 but are trending upward, particularly in the two main cities. While real estate brokers (or "agent immobilier") may help in securing housing for American visitors, a good local contact may be more useful. Many newly arrived U.S. businesspersons establish temporary housing and office space at one of the well-known hotels.

F. TEMPORARY ENTRY OF GOODS

Temporary entry of goods is allowed, provided the traveler can justified that it is a personal effect. In this case, no custom duty would be accessed on the item. The only exception is with the temporary import of a motor vehicle, which follows a pre-establish set of procedures. In reality, it is difficult to show that a personal vehicle is a personal effect.

X. ECONOMIC AND TRADE STATISTICS

Cameroon's national income, price, balance of payments, trade and fiscal data became increasingly scant and unreliable in the late 1980s, as the country's data generation systems deteriorated steadily. With help and pressure from the IFIs, the situation is improving, especially in the financial sector, and data reflected below comes from the IFIs and government sources.

APPENDIX A. COUNTRY DATA

Population: 14.6 million (mid-1999 estimate)
Population growth rate: 3 percent (mid-1998 estimate)
Religions: Animist (40 percent), Christian (40 percent), Muslim (20 percent)
Government System: Independent republic, with a strong central government dominated by the President. Branches: Executive - president (head of state elected for a seven year term, renewable only once) and appointed prime minister (head of government). Legislative - unicameral National Assembly (180 members); a Senate and Regional Councils are called for under 1996 constitutional amendments which also create a framework for increased judicial independence. At present, the judiciary remains under the executive's Ministry of Justice, and the new legislative institutions remain unfulfilled. Administrative subdivisions: 10 provinces (to be renamed regions), 56 departments, 276 sub-prefectures.
Languages: English and French (official), more than 250 indigenous African languages and dialects.

APPENDIX B. DOMESTIC ECONOMY

(in millions of USD)	1997	1998	1999 (proj)
GDP (in millions of USD)	9,251.9	9,206.4	9,326.1
GDP at constant prices growth rate	5%	4.4%	4.8%
GDP per capita	677	628.4	618.5
GNP per capita	559	583.8	606
Government Spending (% of GDP)	15.9	19.1	19.4
Inflation rate (percent)	4.0%	5.7%	2%
Unemployment (estimate)	8%	8%	8%
Foreign Exchange Reserves (in billions of USD)	2.45	2.92	N/A
Average exchange rate ($1/CFA)	507	587.2	620.3
Debt Service Ratio of GDP	N/A	124%	N/A
Foreign Debt (in millions of USD)	9,323	9,048	9,152
Debt outstanding/Exports	416.5%	358.8%	312.3%
Debt outstanding/GDP	100.8%	87.5%	79.1%
Debt Paid/Exports	38.7%	22.2%	22.2%
U.S. Military Assistance	0.09	0.10	0.125

APPENDIX C. TRADE

(in millions of USD)	1997	1998	1999
Total Country Exports (Cameroon FY-July to June)	1,761	2,244.4	2,361.8
Total Country Imports (Cameroon FY-July to June)	1,201	1,347	1,376
U.S. Exports (Calendar Year)	122.0	75.1	N/A
U.S. Imports (Calendar Year)	57.1	57.3	N/A

APPENDIX D. INVESTMENT STATISTICS

Data on Direct Foreign Investment is not available in Cameroon. The Embassy has no statistics on Cameroonian direct investment abroad. Given the importance of the informal sector in the Cameroonian economy and of the tentativeness of statistics, data in this CCG should be used judiciously.

XI. U.S. AND COUNTRY CONTACTS

APPENDIX E. U.S. AND COUNTRY CONTACTS

The American Business Information Center (ABIC) located in the Embassy in Yaounde is connected by Internet at usa.embassy@camnet.cm. Through the Department of Commerce's Export Assistance Centers in the United States, the Embassy ABIC, along with the Douala Embassy Branch ABIC, provides a variety of services to assist U.S. firms intending to do business in Cameroon. Services include: Customized Market Analyses (CMAs are in-depth studies of the market for a specific product or service, with analyses of the existing competition and prospective marketing strategies); Agent/Distributor Service (ADSs provide identification, research, and assessment of up to six potential agents or distributors for a product or service) and Gold Key Service (a package of contact services for American business visitors to ensure a productive and efficient visit). The Embassy also offers International Company Profile (ICP) service to verify the bona fides of Cameroonian partners. In addition, a Regional Counselor for Commercial Affairs of the Foreign Commercial Service located in Abidjan, Cote d'Ivoire and an Agricultural Attaché of the Foreign Agricultural Service located in Lagos, Nigeria provide expertise to those looking to do business in Cameroon. Country Commercial Guides are available for U.S. exporters from the National Trade Data Bank's CD-ROM or via the Internet. Please contact STAT-USA at 1-800-STAT-USA for more information. Country Commercial Guides can be accessed via the World Wide Web at HTTP://WWW.STAT-USA.GOV and HTTP://WWW.STATE.GOV/. They can also be ordered in hard copy or on diskette from the National Technical Information Service (NTIS) at 1-800-553-NTIS.

1. CAMEROON CONTACTS

U. S. EMBASSY TRADE RELATED CONTACTS

United States Embassy - Yaounde
U.S. Department of State
Washington, D.C. 20521-2520
Tel. (237) 23-40-14 & (237) 22-25-89
Fax (237) 23-07-53
Telex 8223 KN
usa.embassy@camnet.cm
Local mailing address:
Ambassade des Etats Unis d'Amerique
Rue Nachtigal
B.P. 817
Yaounde, Cameroon

Officials:
Ambassador John M. Yates
Deputy Chief of Mission Frances T. Jones

Mr. Robert Ford, Political/Economic Section Chief
Ms. Melanie S. Harris, Political/Economic Officer
Mr. Jacques R. Goueth, Economic/Commercial Assistant
Mr. Jean-Paul Yana, Commercial/Economic Assistant

Central African Logistic Office (CALO)
96, rue Flatters
B.P. 4006
Douala, Cameroon
Tel: (237) 42-53-31 & (237) 42-03-03
Fax: (237) 42-77-90
Officials:
Ms. Mary Udoh, Commercial Clerk

BILATERAL BUSINESS COUNCILS

American Business Association (ABA)
c/o PECTEN Cameroon Company
CBC (ex-BIAO) Building, 7th FLOOR
Avenue du General de Gaulle
P.O. Box 2273
Douala, Cameroon
Tel. (237) 42-66-99/42-05-09
Fax. (237) 43-27-23

COUNTRY TRADE OR INDUSTRY ASSOCIATIONS

Association of Young Cameroonian Business People (ASOJHAC)
Mr. Jean-Pierre Ongolo, General Secretary
B.P. 13465
Yaounde, Cameroon
Tel: (237) 21-51-04
Fax: (237) 23-90-34
Telex: 8512 KN

Cameroon Junior Chamber
Mr. Ayuk Iyock
Manga Street
P. O. Box 233
Limbe, Cameroon
Tel: (237) 33-24-70/39-12-35
Fax: (237) 39-25-43

Chamber of Commerce Industries and Mines (CCIM)
Claude Juimo Monthe, President
P.O. Box 4011
Douala, Cameroon
Tel: (237) 42-28-88/42-36-90
Telex 5616 KN

Federation of Small- and Medium-Sized Enterprises (FEPEC)
Mr. Henry Tame Soumedjong, President
P.O. Box 1777
Yaounde, Cameroon
Tel/Fax: (237) 21-67-84

Groupement Inter-Patronal du Cameroun (GICAM)
(Council of Business Managers and Professional Associations)
Mr. Andre Siaka, President
ave. Konrad Adenauer
B.P. 1134
Yaounde, Cameroon
Tel: (237) 20-27-22
Fax: (237) 20-96-94

Le Syndustricam (Council of Professional Employers)
Mr. Samuel Kondo, President
17, bvld. de la Liberte
B.P. 673
Douala, Cameroon
Tel: (237) 42-30-58
Fax: (237) 42-56-16

COUNTRY GOVERNMENT OFFICES RELATING TO KEY SECTORS

Fonds National de l'Emploi (FNE)(National Employment Fund)
Mr. Camille Moute A Bidias, General Manager
P.O. Box 10079
Yaounde, Cameroon
Tel: 237-23-00-62/23-53-40
Fax: 237-23-51-39

Investment Code Management Unit (ICMU)
Ms. Marthe Angeline Minja, Director
P.O. Box 15438
Douala, Cameroon

Tel: 237-42-59-46/43-31-11
Fax: 237-43-30-07

National Committee for Privatization of Public Enterprises
Mr. Aminou Bassoro, President
B.P. 423
Yaounde, Cameroon
Tel: 237-23-51-08/22-38-16
Fax: 237-23-51-08

National Committee for Rehabilitation of Public Enterprises
Mr. Jean-Phillipe Njeck, President
B.P. 423
Yaounde, Cameroon
Tel: 237-22-38-16
Fax: 237-23-51-08

National Hydrocarbon Cooperation (SNH)
Mr. Adolphe Moudiki, General Manager
P.O. Box 955
Yaounde, Cameroon
Tel: 237-20-19-10/20-98-64
Fax: 237-20-98-61

National Office for Industrial Free Zones (NOIFZ)
Mr. Michael Tomdio, Managing Director
P.O. Box 673
Douala, Cameroon
Tel: 237-43-33-43/45
Fax: 237-43-33-17

Societe Nationale d'Investissement (SNI)
(National Investment Office)
Ms. Esther Belibi, General Manager
P.O. Box 423
Yaounde, Cameroon
Tel: 237-23-10-59
Fax: 237-22-39-64

Societe de Recouvrement des Creances du Cameroun (SRC)
(National Loan Recovery Agency)
Mr. Emmanuel Etoundi Oyono, General Director
P.O. Box 11991

Yaounde, Cameroon
Tel: 237-22-09-11/22-37-39
Fax: 237-22-39-64

World Trade Organization Coordinating Committee
Ministry of Industrial and Commercial Development
Ms. Mariatou Temfack, Coordinator
Yaounde, Cameroon
Tel. (237) 22-45-69/23-35-44
Fax (237) 22-27-04

COUNTRY MARKET RESEARCH FIRMS

Associated Consulting Partners (ACP)
Mr. Francois Bowen Noah, Partner
P.O. Box 7176
Yaounde, Cameroon
Tel/Fax: (237) 20-54-14

Coopers and Lybrand (Central Africa)
Mr. Charles Kooh II Associate, Manager
96, rue Flatters
B.P. 1227
Douala, Cameroon
Tel: (237) 42-73-51
Fax: (237) 42-87-32

Fidafrica (Price Waterhouse)
rue Alfred Saker
B.P. 5689
Douala, Cameroon
Tel: (237) 43-24-43/43-24-44/43-24-45
Fax: (237) 42-86-09

Strategies S.A.
Ms. Kah Walla, Director
B.P. 3940
Douala, Cameroon
Tel: (237) 42-24-34
Fax: (237) 42-47-27

COUNTRY ADVERTISING FIRMS

Cameroon Radio Television (CRTV)
Mr. Gervais Mendo Ze, General Manager
B.P. 1634
Yaoundé, Cameroon
Tel: (237) 20-43-66
Fax: (237) 20-43-40

Cameroon Publi-Expansion (CPE)
134, ave. J.F. Kennedy
B.P. 1399
Yaoundé, Cameroon
Tel: (237) 23-14-50
Fax: (237) 23-14-53

Emerites Design
50, rue 1090
B.P. 158
Yaoundé, Cameroon
Tel: (237) 23-15-59
Fax: (237) 22-93-64

Ets. 7 Commercial & Culturel
64, ave. J.F. Kennedy
B.P. 5949
Yaoundé, Cameroon
Tel: (237) 22-66-95
Fax: (237) 23-97-94

JBO Connection
Biyem-Assi Ave.
B.P. 1287
Yaoundé, Cameroon
Tel: (237) 31-61-26
Fax: (237) 31-53-14

Media Plus
333, blvd. de l'O.U.A.
B.P. 13719
Yaoundé, Cameroon
Tel: (237) 30-68-32
Fax: (237) 30-66-90

Moody & Smith Advertising and Public Relations

Makini Smith Tchameni, senior Partner
B.P. 3969
Douala, Cameroon
Tel: (237) 29-23-04
Fax: (237) 39-03-47

Particulier
Bastos behind B.A.T.
B.P. 1250
Yaoundé, Cameroon
Tel: (237) 20-70-52/20-98-14
Fax: (237) 20-70-52

Publi-Neon, SARL
41, rue 1046
B.P. 6699
Yaoundé, Cameroon
Tel: (237) 20-72-69
Fax: (237) 20-20-83

Spectrum Cablevision, Ltd. (TV/large mobile video screen advertising)
1672 , av. De Gaulle
B.P. 4883
Douala, Cameroon
Tel: (237) 43-30-45/42-65-27
Fax: (237) 43-30-48

Sup Telecom Services (telephone/internet advertising)
1494, blvd de la Liberte
B.P. 3951
Douala, Cameroon
Tel: (237) 42-56-87
Fax: (237) 43-34-23

Synergie Saatchi & Saatchi Advertising
394, blvd. de la Liberte
B.P. 390
Douala, Cameroon
Tel: (237) 42-26-40
Fax: (237) 42-94-83

COUNTRY INTERNET SERVICES

CyberBao Café Internet
1482, blvd de la Liberte, Akwa
B.P. 3951
Douala, Cameroon
Tel: (237) 42-29-20
Fax: (237) 42-29-19
http://www.pdm-net.com/douala

Cyber Café ICCnet
Hilton Hotel Arcade
B.P. 4124
Yaounde, Cameroon
Tel: (237) 22-15-88/9
Fax: (237) 22-15-90
http://www.iccnet.cm

Web Café Internet
Carrefour Air Afrique-Bonanjo
B.P. 17238
Douala, Cameroon
Tel: (237) 42-87-34
technopole@cmnet.cm

COUNTRY COMMERCIAL BANKS

Amity Bank
20 rue Joss
B.P. 2705
Douala, Cameroon
Tel: (237) 43-20-55/43-20-49
Fax: (237) 43-20-46

Banque Internationale du Cameroun pour l'Epargne et le Credit (BICEC):
195 av. du General de Gaulle
B.P. 4070
Douala, Cameroon
Tel: (237) 42-26-03/42-29-65
Fax: (237) 42-55-61

Caisse Commune d'Epargne et d'Investissement (CCEI):
Place de l'Hotel de Ville
B.P. 11834

Yaounde, Cameroon
Tel: (237) 22-58-37/23-63-27
Fax: (237) 22-17-85

Commercial Bank of Cameroon (CBC)
rue du General de Gaulle
B.P. 4004
Douala, Cameroon
Tel: (237) 42-02-02
Fax: (237) 43-38-02/43-38-00

Citibank, N.A.
P.O. Box 4571
96, rue Flatters
Douala, Cameroon
Tel: (237) 42-42-72
Fax: (237) 42-40-74

Highland Corporation Bank, S.A.
Boulevard du 20 mai
B.P. 10039
Yaounde, Cameroon
Tel: (237) 23-92-87
Fax: (237) 23-92-91

Societe Commerciale de Banque-Credit Lyonnais (SCB-CL)
ave. Monseigneur Vogt
B.P. 700
Yaounde, Cameroon
Tel: (237) 23-40-05
Fax: (237) 22-41-32

Societe Generale de Banque au Cameroun (SGBC):
78, rue Joss
B.P. 4042
Douala, Cameroon
Tel: (237) 42-70-10/42-70-04
Fax: (237) 42-87-72/52-71-32

Standard Chartered Bank:
1143, blvd. de la Liberte
B.P. 1784
Douala, Cameroon

Tel: (237) 42-36-12/42-91-53
Fax: (237) 42-27-89

COUNTRY TELEGRAPHIC TRANSFER OF FUNDS FACILITIES

Societe Generale de Banque au Cameroun (SGBC), tel: (237) 42-70-04 Fax:(237) 42-87-72
Companie Financiere de l'Estuaire (COFINEST), tel: (237) 43-10-53 Fax: (237) 43-10-53

MULTILATERAL DEVELOPMENT BANK OFFICES IN COUNTRY

International Bank for Reconstruction/Development (World Bank)
Mr. Robert Lacey, Representative
New Bastos
P.O. Box 1128
Yaounde, Cameroon
Tel. (237) 20-38-15
Fax (237) 21-07-22

International Finance Corporation (IFC)
Mr. Mahamadou Diop, Regional Representative
96, rue Flatters
B.P. 4616
Douala, Cameroon
Tel: (237) 42-80-33/42/94-51
Fax: (237) 42-80-14

International Monetary Fund (IMF)
Mr. Mbuyamu I Matungulu, Representative
s/c BEAC Nationale
P.O. Box 83
Yaounde, Cameroon
Tel: (237) 23-35-61/22-25-05/22-11-72/23-12-39
Fax: (237) 22-14-42

2. UNITED STATES GOVERNMENT AGENCIES

TPCC (Trade Promotion Coordinating Committee) Information
Washington, DC
Tel: 1-800-USA-TRADE

U.S. Department of State
2201 C Street N.W.
Washington, D.C. 20520

Office of the Coordinator for Business Affairs
Tel: 202-746-1625

Africa Bureau -AF/C
Mr. Henry Hand
Cameroon Desk Officer
Room 4246
Tel: (202) 647-1707
Fax: (202) 647-1746

U.S. Department of Commerce
14th and Constitution Avenue, N.W.
Washington D.C. 20230
Office of Africa
Ms. Alicia Robinson
Cameroon Desk Officer
Room 2037
Tel: (202) 482-5149
Fax: (202) 482-5198

Foreign Commercial Service
Mr. Johnny E. Brown
Regional Counselor for Commercial Affairs
U.S. Department of State-Abidjan
Washington, D.C. 20521-2010
Tel: (225) 21-09-79
Fax: (225) 22-32-59

U.S. Department of Agriculture
14th and Independence Avenue, S.W.
Washington, DC 20250-1000
Foreign Agricultural Service
Trade Assistance and Promotion Office
Tel: (202) 720-7420
Fax: (202) 690-4374

Mr. Frederick Kessel
Agricultural Attaché
USDA/Foreign Agricultural Service
American Embassy
Lagos, Nigeria
Tel/Fax: (234) (1) 61-39-26

Overseas Private Investment Corporation (OPIC)
1100 New York Avenue, N.W.
Washington, D.C. 20527-0001
Tel: (202) 336-8799
Fax: (202) 336-8700
Worldwide Web: http://www.opic.gov

CONTACTS WITHIN THE UNITED STATES:

Honorable Jérôme Mendouga
Ambassador
Embassy of the Republic of Cameroon
2349 Massachusetts Avenue, N.W.
Washington, D.C. 20008-4104
Tel: (202) 265-8790
Fax: (202) 387-3826

Honorary Consul of the Republic of Cameroon
Mr. Donald Low
147 Terra Vista
San Francisco, CA 94115
Tel: (415) 921-5372

Honorary Consul of the Republic of Cameroon
Mr. Charles R. Greene
2711 Weslayan
Houston, TX, 77027
Tel: (713) 499-3502

The Corporate Council on Africa
1660 L Street, N.W., Suite 301
Washington, D.C. 20036
Tel: (202) 835-1115
Fax: (202) 835-1117

XII. MARKET RESEARCH AND TRADE EVENTS

APPENDIX F. MARKET RESEARCH

The list below provides some of the International Marketing Insights (IMIs) produced by the Embassy from January to June 1999. U.S. businesses with interest in specific IMIs may obtain complete information on the National Trade Data Bank.

Trade And Investment Opportunities:

- Cameroon private sector attendees to CCA Houston summit (April 1999)
- Invitation to bid on the supply of 1,000 tons of potassium chloride to SOCAPALM (April 1999)
- Invitation to bid for project ownership of refurbishment works for track of Cameroon railways (April 1999)
- Used and/or new motor vehicle tires, spare parts and accessories (April 1999)
- Pharmaceuticals and related products (March 1999)
- Telecommunications equipment and supplies (March 1999)
- VSAT – Satellite Antenna (March 1999)
- Household and office equipment and accessories (January 1999)
- International tender to bid on forestry exploitation concessions (January 1999)
- Hair and skin care and beauty products (January 1999)
- Military clothing and equipment (January 1999)
- Importation of remanufactured, rebuilt and or used motor vehicle parts and their market prospects (January 1999)
- Travelers' checks and currencies (January 1999)
- Introduction of the value added tax in Cameroon (January 1999)

Agro-Industry:

- International Tender for Pre-Selection on the Privatization of the Cameroon Development Corporation (CDC) (January 1999)
- Cameroon delegation to the Food and Marketing Institute Convention end of mission report (May 1999)

Regional Integration:

- Major economic gathering of Central African states slated for Yaounde next November: "CEMAC DAYS" (January 1999)

Miscellaneous:

- Mechanical packing ceramic and tetraglass (February 1999)
- Frozen chickens and turkeys (February 1999)
- Bed sheets and used refrigerators (February 1999)
- International tender for studies on the construction of the Ayos-Bonis Road (February 1999)

- Anti-rust, automobile and building paint (February 1999)
- Electric equipment (February 1999)
- Used clothing (February 1999)
- U.S. – Cameroon bilateral investment treaty compliance (January 1999)

APPENDIX G. TRADE EVENT SCHEDULE

Cameroon's national trade fair, PROMO, is (traditionally) held late November through early December of each year in Yaounde. PROMO is a heavily attended exhibition with an estimated 8,000 visitors per day in 1998. In 1995 and 1996, the United States Embassy promoted and sponsored an American Business Information Exhibit. To ensure more space and better commercial results, it instead organized a "Made in USA" pavilion for American business partners during the 1997 and 1998 editions of the fair Promo. This year, the Embassy once again intends to reserve one or two buildings of 256 square meters solely for promoters of American products and services. Contact the Embassy's American Business Information Centers for the latest information or write to the Chamber of Commerce, Industries and Mines at the address in Appendix E of Chapter XI.